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Part III

Statement of Program Service Accomplishments

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

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1

Briefly describe the organization's mission

MaineGeneral Health and Affiliates' mission is to enhance, every day, the health of the people in the greater Kennebec Valley

2

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

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3

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

☒ Yes ☐ No

If "Yes," describe these changes on Schedule O

4

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

4a

(Code) (Expenses \$ 330,613,582 including grants of \$ 3,000) (Revenue \$ 366,669,060)

See Schedule O

4b

(Code) (Expenses \$ 18,274,531 including grants of \$ 500) (Revenue \$ 20,272,113)

See Schedule O

4c

(Code) (Expenses \$ 15,881,091 including grants of \$ 0) (Revenue \$ 15,483,607)

See Schedule O

(Code) (Expenses \$ 2,957,691 including grants of \$ 0) (Revenue \$ 4,265,993)

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

(Code) (Expenses \$ 3,371,696 including grants of \$) (Revenue \$ 17,546,900)

4d

Other program services (Describe in Schedule O)

(Expenses \$ 6,329,387 including grants of \$) (Revenue \$ 21,812,893)

4e
























Total program service expenses

371,098,591

Form 990 (2012)

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? 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 lines 24b through 24d and complete Schedule K. If "No," go to line 25	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? 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, highest 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? 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)			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	Yes	
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, Part II, III, or IV, and Part V, line 1	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b		
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 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	575	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	4,454	
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	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?	Yes	
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	41	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	28	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	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
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	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?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input checked="" type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization Mary Griswold Controller 35 Medical Center Parkway Augusta, ME (207) 626-1000

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

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

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

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

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

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

[illegible]

Part VII

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								5,702,243	1,415,934	370,081

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 216

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

Section B. Independent Contractors

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

(A)	(B)	(C)
Name and business address	Description of services	Compensation
Robins & Morton 19 Greenwood Park Winthrop ME 04364	Construction	123,537,075
Maine Dartmouth Family Medicine Residenc 15 E Chestnut Street Augusta ME 043305796	Residency Services	10,647,048
Kennebec Anesthesia Associates PO Box 232 Waterville ME 04903	Healthcare Services	3,724,519
Allscripts Healthcare Solution PO Box 8538-0133 Philadelphia PA 191710133	Software Services	2,351,345
Mayo Medical Laboratory PO Box 4100 Rochester MN 559034100	Labaoatory Testing Servises	1,586,501

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►56

Part VIII

Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . .	1a	73,148	25,638,428		
	b	Membership dues	1b				
	c	Fundraising events	1c	107,206			
	d	Related organizations	1d	196,000			
	e	Government grants (contributions)	1e	3,387,603			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	21,874,471			
	g	Noncash contributions included in lines 1a-1f \$		8,504,936			
	h	Total. Add lines 1a-1f					
Program Service Revenue			Business Code				
	2a	Hospital Revenues	621990	367,272,598	366,669,060	603,538	
	b	Long Term Care Revenue	623000	20,272,113	20,272,113		
	c	Hospice and Homecare R	621610	15,483,607	15,483,607		
	d	Retirement Community R	623990	4,265,993	4,265,993		
	e	Behavioral Health and	621990	2,424,468	2,424,468		
	f	All other program service revenue		12,845,538	12,493,382	352,156	
	g	Total. Add lines 2a-2f			422,564,317		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,779,974			1,779,974
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties					
	6a	(i) Real		(ii) Personal	497,908	497,908	
		497,908					
		0					
		497,908					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
	7a	(i) Securities		(ii) Other	3,484,719		
		217,438,854		908,201			
		214,618,254		244,082			
		2,820,600		664,119			
	c	Gain or (loss)					
	d	Net gain or (loss)					
	8a	Gross income from fundraising events (not including \$ 107,206 of contributions reported on line 1c) See Part IV, line 18			13,493		
		a	43,230				
		b	29,737				
	c	Net income or (loss) from fundraising events . .					
	9a	Gross income from gaming activities See Part IV, line 19			20,000	20,000	
		a	30,000				
		b	10,000				
	c	Net income or (loss) from gaming activities . .					
	10a	Gross sales of inventory, less returns and allowances					
a							
b							
c	Net income or (loss) from sales of inventory . .						
Miscellaneous Revenue		Business Code					
11a	Joint Ventures		621500	2,445,750	2,111,142	334,608	
	b	Management and Financi	561000	138,048		138,048	
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d			2,583,798		
12	Total revenue. See Instructions			456,582,637	424,237,673	1,428,350	5,278,186

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

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Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.				
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	3,500	3,500		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	189,440,495	177,935,108	11,505,387	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	8,926,368	8,386,035	540,333	
9	Other employee benefits.	22,503,955	21,141,739	1,362,216	
10	Payroll taxes.	12,724,425	11,954,187	770,238	
11	Fees for services (non-employees):				
a	Management.	23,187,801		22,496,227	691,574
b	Legal.	409,739		409,739	
c	Accounting.	15,000		15,000	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	26,668,468	23,871,547	2,796,921	
12	Advertising and promotion.	910,612	909,559	1,053	
13	Office expenses.	1,668,693	1,574,812	93,881	
14	Information technology.	10,896,463	1,116,718	9,779,745	
15	Royalties.				
16	Occupancy.	14,996,749	14,064,158	932,591	
17	Travel.	1,447,800	1,409,698	38,102	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	786,272	721,521	64,751	
20	Interest.	1,580,577	1,580,577		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	16,754,184	10,470,163	6,284,021	
23	Insurance.	4,366,951		4,366,951	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	Medical Supplies	27,692,155	27,692,155		
b	Bad Debt Writeoffs	23,003,974	23,003,974		
c	Drugs and Solutions	20,033,845	20,033,845		
d	State Tax on Revenue	9,029,636	9,029,636		
e	All other expenses	18,458,249	16,199,660	2,258,589	
25	Total functional expenses. Add lines 1 through 24e.	435,505,911	371,098,591	63,715,745	691,574
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		315,199	1	2,820,044
	2	Savings and temporary cash investments		19,011,801	2	13,213,798
	3	Pledges and grants receivable, net		20,973,331	3	5,494,589
	4	Accounts receivable, net		83,118,383	4	65,972,784
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		47,224	7	
	8	Inventories for sale or use		4,005,167	8	4,573,785
	9	Prepaid expenses and deferred charges		4,533,393	9	8,172,691
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a587,795,301			
	b	Less accumulated depreciation	10b192,729,617	233,748,962	10c	395,065,684
	11	Investments—publicly traded securities		329,280,715	11	176,472,835
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		2,453,101	13	
	14	Intangible assets			14	0
	15	Other assets See Part IV, line 11		9,639,075	15	8,171,514
	16	Total assets. Add lines 1 through 15 (must equal line 34)		707,126,351	16	679,957,724
Liabilities	17	Accounts payable and accrued expenses		75,372,437	17	33,305,694
	18	Grants payable			18	
	19	Deferred revenue		2,363,652	19	2,430,938
	20	Tax-exempt bond liabilities		313,117,061	20	309,601,771
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		15,699,494	23	14,823,976
	24	Unsecured notes and loans payable to unrelated third parties		1,360,619	24	393,571
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		60,811,901	25	46,837,112
	26	Total liabilities. Add lines 17 through 25		468,725,164	26	407,393,062
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		186,546,465	27	227,059,330
	28	Temporarily restricted net assets		36,528,611	28	29,621,123
	29	Permanently restricted net assets		15,326,111	29	15,884,209
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		238,401,187	33	272,564,662
	34	Total liabilities and net assets/fund balances		707,126,351	34	679,957,724

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	456,582,637
2	Total expenses (must equal Part IX, column (A), line 25)	2	435,505,911
3	Revenue less expenses Subtract line 2 from line 1	3	21,076,726
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	238,401,187
5	Net unrealized gains (losses) on investments	5	1,948,591
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	11,138,158
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	272,564,662

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

Additional Data

Software ID:

Software Version:

EIN: 32-0265031

Name: MaineGeneral Health and Affiliates

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Peter Alfond Director	1 00 1 00	X						0	0	0
Douglas Boyink MD Director	50 00 1 00	X						260,377	0	29,345
Conrad Ayotte Director & Vice Chair	1 00 2 00	X						0	0	0
Scott Bullock Director & President Emeritus	50 00 50 00	X		X				0	710,814	24,708
Stephanie Calkins MD Director	1 00 1 00	X						37,600	0	1,668
Douglas Cutchin Director	1 00 1 00	X						0	0	0
Charles Danielson MD MPH Director	1 00 1 00	X						0	0	0
Mark Ford Director	2 00 2 00	X						0	0	0
Peter Guzzetti DO DDS Director	1 00 1 00	X						24,000	0	0
David Hay MD Director	2 00 2 00	X						638,102	0	22,101
Jeffrey Hubert Director	2 00 2 00	X						0	0	0
Mark Johnston Director	1 00 1 00	X						0	0	0
James LaLiberty Director	1 00 1 00	X						0	0	0
Barbara Mayer Director	2 00 2 00	X						0	0	0
Roy Miller MD Director	1 00 1 00	X						0	0	0
Elizabeth Mitchell Esq Director	1 00 1 00	X						0	0	0
Gary Peachey Director	1 00 1 00	X						0	0	0
Gordon Pow Director	2 00 2 00	X						0	0	0
Tobi Schneider Esq Director	1 00 1 00	X						0	0	0
William Sprague Director & Chair	1 00 1 00	X		X				0	0	0
Douglas Terp Director	2 00 2 00	X						0	0	0
Charles Hays President & CEO MGH	50 00 1 00	X		X				0	351,769	16,363
Nona Boyink Director, CEO HRN	50 00 1 00	X		X				178,213	0	25,775
Richard Fein DO Director, HRN	1 00 1 00	X						60,793	0	6,321
Alicia Forster MD Director, HRN	1 00 1 00	X						18,008	0	2,204

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Reynero Sepe Lanoy MD Director, HRN	1 00 1 00	X						216,167	0	30,765
Rev Cynthia N Lepley Director, HRN	1 00 1 00	X						0	0	0
Andrew B MacLean JD Director, HRN	1 00 1 00	X						0	0	0
Elizabeth S Miller Director, HRN	1 00 1 00	X						0	0	0
Judith A Plano Esq Director, HRN	1 00 1 00	X						0	0	0
James Clair Director, HRN	1 00 1 00	X						0	0	0
Danielle D Martin Director, HRN	1 00 1 00	X						0	0	0
Pamela J Trinward Director, HRN	1 00 1 00	X						0	0	0
Rebecca Colwell Director, MGRC	45 00 1 00	X						122,833	0	22,287
Rev William DeWolfe Director, MGRC	1 00 1 00	X						0	0	0
Kenneth Harvey Director, MGRC	1 00 1 00	X						0	0	0
Richard Jordan Director, MGRC	1 00 1 00	X						0	0	0
Judith Shreiner Director, MGRC	1 00 1 00	X						0	0	0
Paul Stein Director, MGRC	45 00 1 00	X						120,346	0	26,185
Mildred Stengel Director, MGRC	1 00 1 00	X						0	0	0
Robert Marden Director	1 00 1 00	X						0	0	0
Karen Tobias Board Secretary	1 00 45 00			X				0	56,681	13,635
Michael Koziol Senior Vice President & CFO	50 00 1 00			X				0	296,670	17,913
Stephen Coleman MD Physician	50 00 0 00					X		1,030,444	0	26,865
Anthony Mancini MD Physician	50 00 0 00					X		943,568	0	29,984
Sean McGarr MD Physician	50 00 0 00					X		714,808	0	25,959
Marc Golden MD Physician	50 00 0 00					X		674,307	0	23,960
Jose Ramirez MD Physician	50 00 0 00					X		662,677	0	24,043

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

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

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 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 See **section 509(a)(4).**
- 11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

Part IIIPart III

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶		

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization MaineGeneral Health and Affiliates	Employer identification number 32-0265031
--	--

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

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

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

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

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

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

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

Part II-A

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		44,979
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total. Add lines 1c through 1i.			44,979
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

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

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

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

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

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

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

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

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____

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

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

☐ Yes ☐ No

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

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

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

☐ Yes ☐ No

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

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

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

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1

► \$ _____

b Assets included in Form 990, Part X

► \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

- 1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIII and complete the following table
- c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

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

☐

Part V

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

- | | (a)Current year | (b)Prior year | b (c)Two years back | (d)Three years back | (e)Four years back |
|--|-----------------|---------------|---------------------|---------------------|--------------------|
| 1a Beginning of year balance | 84,994,462 | 67,498,904 | 47,265,328 | 27,928,069 | 32,392,351 |
| b Contributions | 21,398,575 | 18,436,863 | 17,548,714 | 17,940,070 | 2,719,506 |
| c Net investment earnings, gains, and losses | 3,127,831 | -152,687 | 3,703,471 | 3,496,146 | -4,909,162 |
| d Grants or scholarships | 3,500 | 500 | 14,925 | 15,000 | 15,610 |
| e Other expenditures for facilities and programs | 13,335,498 | 788,118 | 1,003,615 | 2,083,957 | 2,259,016 |
| f Administrative expenses | | 0 | 0 | 0 | |
| g End of year balance | 96,181,870 | 84,994,462 | 67,498,973 | 47,265,328 | 27,928,069 |
- 2

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

Board designated or quasi-endowment ▶ 58 300 %

b

Permanent endowment ▶ 16 600 %

c

Temporarily restricted endowment ▶ 25 100 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

No
- b

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

3b
- 4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,383,136		4,383,136
b Buildings		140,949,063	75,444,667	65,504,396
c Leasehold improvements		4,122,920	1,320,967	2,801,953
d Equipment		139,357,506	112,688,118	26,669,388
e Other		298,982,676	3,275,865	295,706,811
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				395,065,684

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return				
1	Total revenue, gains, and other support per audited financial statements	1		435,984,346
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	2e		
a	Net unrealized gains on investments		2a	1,948,594
b	Donated services and use of facilities		2b	
c	Recoveries of prior year grants		2c	
d	Other (Describe in Part XIII)		2d	457,089
e	Add lines 2a through 2d	2e		2,405,683
3	Subtract line 2e from line 1	3		433,578,663
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	4c		
a	Investment expenses not included on Form 990, Part VIII, line 7b		4a	
b	Other (Describe in Part XIII)		4b	23,003,974
c	Add lines 4a and 4b			23,003,974
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5		456,582,637
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return				
1	Total expenses and losses per audited financial statements	1		412,959,026
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	2e		
a	Donated services and use of facilities		2a	
b	Prior year adjustments		2b	
c	Other losses		2c	
d	Other (Describe in Part XIII)		2d	457,089
e	Add lines 2a through 2d	2e		457,089
3	Subtract line 2e from line 1	3		412,501,937
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	4c		
a	Investment expenses not included on Form 990, Part VIII, line 7b		4a	
b	Other (Describe in Part XIII)		4b	23,003,974
c	Add lines 4a and 4b			23,003,974
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5		435,505,911

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	The intended uses for MaineGeneral Health and Affiliates' Endowments and Quasiendowments are as follows: Charity care at the Organization's hospital and the Harold Alfond Cancer Center; Funding educational programs for the Organization's nurses and other employees; Funding capital expenditures, including a new hospital; Funding scholarships for individuals interested in careers in the healthcare profession.
Description of Uncertain Tax Positions Under FIN 48	Part X, Line 2	Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense. The Company has evaluated the tax positions taken on its filed tax returns. The Company has concluded no uncertain income tax positions exist at June 30, 2013. The Company's tax years from 2010 through 2013 are open and subject to examination.
Part XI, Line 2d - Other Adjustments		Vendor Rebates
Part XI, Line 4b - Other Adjustments		Bad Debt Expense
Part XII, Line 2d - Other Adjustments		Vendor Rebates
Part XII, Line 4b - Other Adjustments		Bad Debts Expense

Additional Data

Software ID:

Software Version:

EIN: 32-0265031

Name: MaineGeneral Health and Affiliates

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Book Value
	Workers Comp Accrual	1,295,486
	Curr Portion Accrued Insur Res	7,253,212
	Deferred Rev Refundable	1,374
	Acc Pension Cost Net Curr Port	24,599,527
	Deferred Revenue Refundable	11,392,084
	Purchase Deposits	56,900
	Security Deposits	140,332
	Other Long-Term Liabilities	1,483,035
	FIN47 Environmental Liability	615,161

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

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

1

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

a

☐ Mail solicitations

e

☐ Solicitation of non-government grants

b

☐ Internet and email solicitations

f

☐ Solicitation of government grants

c

☐ Phone solicitations

g

☐ Special fundraising events

d

☐ In-person solicitations

2a

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

☐ Yes ☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

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

3

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

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		Walk for Hope (event type)	Aids Walk (event type)	(total number)	(add col (a) through col (c))
Revenue	1	Gross receipts	144,081	6,355	150,436
	2	Less Contributions . . .	107,206	0	107,206
	3	Gross income (line 1 minus line 2)	36,875	6,355	43,230
Direct Expenses	4	Cash prizes	0	0	
	5	Noncash prizes . . .	11,583	0	11,583
	6	Rent/facility costs . . .	4,864	0	4,864
	7	Food and beverages .	44	0	44
	8	Entertainment			
	9	Other direct expenses .	8,182	5,064	13,246
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			(29,737)
	11	Net income summary Combine line 3, column (d), and line 10 ▶			13,493

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

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
	1 Gross revenue			30,000	30,000
Direct Expenses	2 Cash prizes			10,000	10,000
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<div><input type="checkbox"/> Yes..... <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes..... <input type="checkbox"/> No</div>	<div><input checked="" type="checkbox"/> Yes100.000 % <input type="checkbox"/> No</div>	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				10,000
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				20,000

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

a Is the organization licensed to operate gaming activities in each of these states?

☒ Yes ☐ No

b If "No," explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

☐ Yes ☒ No

b If "Yes," explain

Does the organization operate gaming activities with nonmembers? ☐ Yes ☒ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☒ No

13	Indicate the percentage of gaming activity operated in		
a	The organization's facility	13a	100.000 %
b	An outside facility	13b	

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

Name MaineGeneral Medical Center Auxiliary

Address 35 Medical Center Parkway
Augusta, ME 04330

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☒ No

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

c If "Yes," enter name and address of the third party

Name

Address

16 Gaming manager information

Name Lorraine McCabe

Gaming manager compensation \$ 0

Description of services provided Among the activities of the Medical Center's auxiliary is running an annual lottery. Lottery proceeds are for the benefit of Medical Center projects and operations

☐ Director/officer ☒ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☒ No

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

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

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

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>17500 0000000000 %</u> b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>22500 0000000000 %</u> c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b	Yes	
b	If "Yes," did the organization make it available to the public?	5c		No
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a	Yes	
		6b	Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			15,396,717	290,198	15,106,519	3 660 %
b Medicaid (from Worksheet 3, column a)			73,917,957	58,948,128	14,969,829	3 630 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			89,314,674	59,238,326	30,076,348	7 290 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,612,629	775,331	837,298	0 200 %
f Health professions education (from Worksheet 5)			157,227	6,400	150,827	0 040 %
g Subsidized health services (from Worksheet 6)			14,820,603	6,172,971	8,647,632	2 100 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			16,590,459	6,954,702	9,635,757	2 340 %
k Total. Add lines 7d and 7j			105,905,133	66,193,028	39,712,105	9 630 %

Part II

Community Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy	596	16,758	1,248,923	18,272	1,230,651
8	Workforce development					0 300 %
9	Other					
10	Total	596	16,758	1,248,923	18,272	1,230,651
						0 300 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

8,810,743

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

0

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

Enter total revenue received from Medicare (including DSH and IME).

5

143,590,020

6

Enter Medicare allowable costs of care relating to payments on line 5.

6

153,055,338

7

Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-9,465,318

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.

☒

Cost accounting system

☐

Cost to charge ratio

☐

Other

Section C. Collection Practices

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

b

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

9b

Yes

Part IV

Management Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 Augusta Mobile MRI Owners LLC	MRI imaging services at the Augusta Hospital facility	50 000 %	0 %	50 000 %
2 2 Waterville Mobile MRI Owners LLC	MRI imaging services at the Waterville Hospital facility	50 000 %	0 %	50 000 %
3 3 MaineGeneral Cardiac Catheterization Lab LLC	Cardiac catheterization services at the Augusta Hospital facility	50 000 %	0 %	50 000 %
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	MaineGeneral Medical Center 35 Medical Center Parkway Augusta, ME 04330 www.maine-general.org	X	X		X		X	X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

MaineGeneral Medical Center

Name of hospital facility or facility reporting group

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)

1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1	Yes
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>11</u>		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	Yes
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	Yes
a	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input checked="" type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	Yes
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>175 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>225 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
a <input checked="" type="checkbox"/> Income level			
b <input checked="" type="checkbox"/> Asset level			
c <input checked="" type="checkbox"/> Medical indigency			
d <input checked="" type="checkbox"/> Insurance status			
e <input type="checkbox"/> Uninsured discount			
f <input checked="" type="checkbox"/> Medicaid/Medicare			
g <input checked="" type="checkbox"/> State regulation			
h <input type="checkbox"/> Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13	Yes
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
b <input checked="" type="checkbox"/> The policy was attached to billing invoices			
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
f <input checked="" type="checkbox"/> The policy was available upon request			
g <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a <input checked="" type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input checked="" type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged		17	No
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

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

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

Part V

Facility Information (continued)

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

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

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

3

Name and address	Type of Facility (describe)
1 MaineGeneral Rehabilitation & Nursing 37 Graybirch Drive Augusta, ME 04330	Long-term care and residential care facility
2 MaineGeneral Retirement Community 60 Balsam Drive Ste 1 Hallowell, ME 04347	Retirement community
3 HealthReach Network 10 Water Street Waterville, ME 04901	Homecare, hospice, behavioral health and substance abuse facilities
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report
- 8
- Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		Part I, Line 7 Charity care is measured based on services provided at established rates, and is included in net patient service revenues Costs and expenses incurred in providing these services are included in operating expenses Charges for services rendered to individuals from whom payment is expected and ultimately not received are written off and included as an operating expense as part of the provision for bad debts The organization's bad debt expense cost is calculated using a ratio of total patient related expense over gross charges This is applied to total provision for bad debts, which is recorded at gross charges
		Part I, Line 7, Column (f) The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is \$ 23003974

Identifier	ReturnReference	Explanation
		Part II MaineGeneral Health and Affiliates offers a variety of classes and community health outreach events to support and build our community Such events range from cancer survivor classes and support groups, breastfeeding classes, sibling classes, a safe babysitter program and parenting education The organization provides a wide range of programs to support a healthy and well educated community throughout all ages and health care situations The organization offers diabetes care and smoking cessation classes, along with support groups for area individuals with a variety of health problems including Alzheimer's disease, bariatric surgery needs, brain injury, stroke and hospice Space is provided free of charge and in some cases the support groups are managed and staffed by MaineGeneral employees
		Part III, Line 4 Charges for services rendered to individuals from whom payment is expected and ultimately not received are written off and included as an operating expense as part of the provision for bad debts The organization's bad debt expense is calculated using a ratio of total expenses over gross charges This is applied to total provision for bad debts which is recorded at gross charges

Identifier	ReturnReference	Explanation
		Part III, Line 8 The shortfall above reflects the amount of unreimbursed cost the organization funded to benefit the health of the community The organization's Medicare allowable cost of care is calculated using a ratio of total expenses over gross charges This is applied to total expenses and adjusted by actual Medicare payor mix percentage
		Part III, Line 9b In accordance with the Affordable Care Act and the IRS 990 rules, individuals, once identified as eligible for the Organization's uncompensated care program, will be billed no more than the amount generally billed i e the best, or an average of the three best, negotiated commercial rates or Medicare rates for emergency and other medically necessary services

Identifier	ReturnReference	Explanation
MaineGeneral Medical Center		Part V, Section B, Line 3 Community stakeholders were surveyed using an online survey This included a review of data trends from 2010 and 2012, and the review of selected priorities and goals to be worked on in 2013 through 2015 A survey tool was distributed to community stakeholders in the Central Public Health District that includes the towns in MaineGeneral Medical Center's primary and secondary service area The survey was sent out via an email with link to the survey tool, along with a data summary of the 2010 CHNA and the 2012 State Community Health Assessment The Stakeholders are members of the Central Public Health District Coordinating Council, as well as a list of participants who participated in the 2010-11 Community Health Assessment forums held collaboratively with the Central Public Health District, MGMC and EMH 21 Stakeholders completed the survey 33% represented nonprofit community organizations, 7% represented healthcare (non-physician), 26% represented public health, 13% represented physicians, 13% represented Community Health Coalitions and 7 % represented schools
MaineGeneral Medical Center		Part V, Section B, Line 4 The CHNA was conducted with Maine Medical Center and Eastern Maine Medical Center

Identifier	ReturnReference	Explanation
MaineGeneral Medical Center		Part V, Section B, Line 5c We have made the Needs Assessment available to all of our public health partners
MaineGeneral Medical Center		Part V, Section B, Line 20d MaineGeneral Medical Center charges the same gross charge rates for all services provided, regardless of payment source If patients are uninsured we will make every effort to assist them in filling out the paperwork for qualification for the MaineCare system If they do not qualify for MaineCare we will help them to apply for our charity care program If they do not qualify for either MaineCare or charity care we do provide payment plans to pay over time and discounts for complete payment of their bill

Identifier	ReturnReference	Explanation
		Part VI, Line 2 OneMaine Health, a collaboration between Eastern Maine Healthcare Systems, MaineGeneral Health and MaineHealth, released Maine's first comprehensive, statewide community health needs assessment in April 2011 The community health needs assessment examined health status, use of health services, access and barriers to care and other factors affecting the health of Maine people MaineGeneral Health and Affiliates has used the community health needs assessment to support the need for continuing initiatives that it has provided over the past several years in specific healthcare areas and has, as necessary, expanded its focus to other areas of community health need
		Part VI, Line 3 For inpatient stays, the Medical Center Patient Registration Department provides a written notice regarding the availability of the uncompensated services program to inpatients upon admission or, in the case of an emergency, before discharge In those rare cases where the notice was not given to the patient at admission or upon discharge due to unavoidable circumstances, a charity care notice was sent with the initial patient bill All outpatient departments including provider based practices provide patients access to the written notice of the availability of the uncompensated services program at the time of service Initial patient bills include a notification to patients on the availability of the uncompensated services program Subsequent patient billings also include notices to patients about the availability of the program During this process, if it appears that a patient is qualified for the government programs, the program application is provided to the patient and a patient financial services representative provides any assistance required in educating the patient on properly preparing the application Current income guidelines are displayed in all business offices, main patient registration areas and emergency departments The posted guidelines are updated annually based on changes in the federal poverty guidelines The Hospital makes all reasonable efforts to communicate the contents of the income guidelines to persons that it has reason to believe cannot read the notice

Identifier	ReturnReference	Explanation
		Part VI, Line 4 The Medical Center's primary service area includes Kennebec County, with Augusta and Waterville making up the largest portion of the population The service area also includes parts of Waldo, Lincoln, Somerset and Sagadahoc counties 86% of residents have a family physician 16% of the population is self-insured or uninsured 15% of the population is over 65 and 21% of the population is under 18
		Part VI, Line 5 MaineGeneral Health and Affiliates supports the health of the community by being involved with several of the non-profit organizations in the area Several of our staff serve on the board of directors of these organizations, as well as volunteer their time in other capacities for local non-profit organizations Our staff also commit their time to serving in several health care leadership organizations They provide their knowledge and experience to promote higher quality health care throughout our community

Identifier	ReturnReference	Explanation
		Part VI, Line 6 MaineGeneral Health and Affiliates includes MaineGeneral Medical Center, which provides a wide variety of hospital, primary care, specialty care and emergency care services to the community HealthReach Network, which provides homecare, hospice, behavioral health and substance abuse services MaineGeneral Rehabilitation and Nursing Care, which provides long term, skilled nursing and residential care services It also provides Alzheimer's residential care and Alzheimer's day care services MaineGeneral Retirement Community, which provides independent and assisted living services, as well as an Alzheimer's care unit All of the affiliates provide care regardless of an individual's ability to pay
Reports Filed With States	Part VI, Line 7	ME

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
MaineGeneral Health and Affiliates

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

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

OMB No 1545-0047

2012

Open to Public
Inspection

Employer identification number
32-0265031

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

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

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

2

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

▶

3

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

▶

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) Educational Scholarships	3	3,500	0		

Part IV

Supplemental Information.

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

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

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: <div><div>a Receive a severance payment or change-of-control payment?</div><div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div><div>c Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4a		No
		4b		No
		4c		No
5	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9. For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 5a or 5b, describe in Part III.	5a		No
		5b		No
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 6a or 6b, describe in Part III.	6a		No
		6b		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	Tax Gross-up Payments Nona Boyink \$7,993 Treated as taxable compensation
	Part I, Line 7	A portion of compensation is at risk and variable and is based on the quality of job performance

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

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Douglas Boyink MD	(i)	237,820	19,964	2,593	22,415	6,930	289,722	0
	(ii)	0	0	0	0	0	0	0
Scott Bullock	(i)	0	0	0	0	0	0	0
	(ii)	432,546	269,449	8,819	11,964	12,744	735,522	0
David Hay MD	(i)	384,908	251,456	1,738	11,326	10,775	660,203	0
	(ii)	0	0	0	0	0	0	0
Charles Hays	(i)	0	0	0	0	0	0	0
	(ii)	346,430	0	5,339	13,587	2,776	368,132	0
Nona Boyink	(i)	169,272	0	8,941	16,165	9,610	203,988	0
	(ii)	0	0	0	0	0	0	0
Reynerio Sepe Lanoy MD	(i)	190,008	12,000	14,159	14,238	16,527	246,932	0
	(ii)	0	0	0	0	0	0	0
Michael Koziol	(i)	0	0	0	0	0	0	0
	(ii)	295,391	0	1,279	10,885	7,028	314,583	0
Stephen Coleman MD	(i)	653,514	375,584	1,346	11,728	15,137	1,057,309	0
	(ii)	0	0	0	0	0	0	0
Anthony Mancini MD	(i)	268,113	674,830	625	11,148	18,836	973,552	0
	(ii)	0	0	0	0	0	0	0
Sean McGarr MD	(i)	534,920	160,715	19,173	13,541	12,418	740,767	0
	(ii)	0	0	0	0	0	0	0
Marc Golden MD	(i)	391,530	275,865	6,912	11,180	12,780	698,267	0
	(ii)	0	0	0	0	0	0	0
Jose Ramirez MD	(i)	283,941	369,275	9,461	10,096	13,947	686,720	0
	(ii)	0	0	0	0	0	0	0

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	Maine Health and Higher Education Facilities Authority	01-0314384	560427WF9	05-23-2013	64,030,000	Refinance 2003D Maine Health and Higher Education Facilities Authority Bonds		X		X		X
B	Maine Health and Higher Education Facilities Authority	01-0314384	560425XD7	02-02-2006	53,803,882	Build Cancer Center and renovate emergency rooms in Augusta and Waterville		X		X		X
C	Maine Health and Higher Education Facilities Authority	01-0314384	560425V72	08-11-2011	280,812,878	Build a New Regional Hospital in North Augusta		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased	3,180,000							
3	Total proceeds of issue	2,739,130		44,329,813		280,812,878			
4	Gross proceeds in reserve funds	702,750		5,703,670		11,182,099			
5	Capitalized interest from proceeds	28,890,606				28,890,606			
6	Proceeds in refunding escrows	3,254,955							
7	Issuance costs from proceeds	35,170		274,637		5,215,393			
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds	3,094,733		3,094,733					
10	Capital expenditures from proceeds	35,021,485		35,021,485		220,383,528			
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2013		2008		YesNoYesNo			
		Yes	No	Yes	No				
14	Were the bonds issued as part of a current refunding issue?		X		X		X		
15	Were the bonds issued as part of an advance refunding issue?	X			X		X		
16	Has the final allocation of proceeds been made?		X		X		X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0%		0%		0 00000%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0%		0 00000%		0 00000%		%	
6	Total of lines 4 and 5	0%		0%		0 00000%		%	
7	Does the bond issue meet the private security or payment test?		X		X		X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X		X		

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X	X		X			
b	Name of provider	FSA		FSA		NATIXIS			
c	Term of GIC	29 410000000000		29 410000000000		29 830000000000			
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X		X		X			
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X			

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X			

Part VI

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

Identifier	Return Reference	Explanation
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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number

32-0265031

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

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

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

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			Yes	No		Yes	No
Total ▶ \$											

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Waterville Pediatrics	Professional Corporation with over 5% interest owned by Charles Danielson	184,840	Payment for professional services		No
(2) Michelle Ayotte	Employee of the Organization and daughter of Conrad Ayotte	65,761	Employee compensation		No
(3) Megan Gasbarrone	Employee of the Organization and daughter of William Sprague	46,751	Employee compensation		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

Part I

Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	39	8,504,936	Market Value
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
Laptop				
25 Other ► (Computer)	X	1	1,500	Fair Market Value
Dynavox				
26 Other ► (eyeMax)	X	1	6,736	Fair Market Value
27 Other ► (GPS Devices)	X	1	750	Fair Market Value
28 Other ► ()				

29

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

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

Yes

No

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

32a

Yes

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

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

Cat No 51227J

Schedule M (Form 990) (2012)

Part III

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Third Party Use	Part I, Line 32b	MaineGeneral Health and Affiliates uses two investment brokers to receive and sell all stock gifts as soon as practicable

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ****Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2012**Open to Public
Inspection**Name of the organization
MaineGeneral Health and Affiliates**Employer identification number**

32-0265031

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

Identifier	Return Reference	Explanation
Briefly Describe the Organization's Mission	Form 990, Part I, Line 1	MaineGeneral Health and Affiliates' mission is to enhance, every day, the health of the people in the greater Kennebec Valley

Identifier	Return Reference	Explanation
Changes in Program Services	Form 990, Part III, line 3	All operations of MaineGeneral Health Associates, the physician practices, were transferred to MaineGeneral Medical Center in the prior year. This year MaineGeneral Health Associates was dissolved as a corporation.

Identifier	Return Reference	Explanation
Description of Program Service Accomplishments	Form 990, Part III, Line 4a	<p>MaineGeneral Medical Center is a non-profit acute care hospital with facilities in both Augusta and Waterville, Maine, that provides comprehensive healthcare services to the community, regardless of a patient's ability to pay. Both campuses provide emergency and critical care, a full range of inpatient and outpatient surgical services, substance abuse and mental health services, cancer care, maternal, new born and child health services and inpatient and outpatient diagnostic services. In addition, the Jackman Region Health Center, in northern Somerset County, which is a part of MaineGeneral Medical Center, provides physician office services and an 18-bed nursing home. During the fiscal year ending June 30, 2013 MaineGeneral Medical Center provided care for 11,056 inpatients, 4,732 inpatient and 26,013 outpatient surgeries, 937 births, 72,864 oncology procedures, 886,330 laboratory procedures, 138,526 diagnostic imaging procedures, and 97,701 emergency procedures. MaineGeneral Medical Center also provides physician care services through hospital based physician practices throughout Kennebec County. These physician practices include primary care as well as a wide variety of specialty services. During fiscal year 2013 the MaineGeneral Physician Practices provided 67,366 adult primary care visits, 29,594 pediatric primary care visits, 19,893 express care visits and 112,613 visits for various specialty care practices.</p>

Identifier	Return Reference	Explanation
Description of Program Service Accomplishments	Form 990, Part III, Line 4b	HealthReach Network operates a homecare and hospice program throughout the Kennebec Valley and surrounding areas. During the fiscal year ending June 30, 2013, HealthReach Network provided 65,525 days of homecare services and 41,710 days of hospice care. The company also provides several community support programs for mental health and substance abuse treatment. HealthReach provided 7,334 service hours of outpatient counseling, 6,663 days of service through the men's and women's residential care programs, and 7,325 visits through the ACT program during the fiscal year ending June 30, 2013.

Identifier	Return Reference	Explanation
Description of Program Service Accomplishments	Form 990, Part III, Line 4c	MaineGeneral Rehabilitation and Nursing Care provides long-term care, assisted living, respite and day care services to the community, regardless of an individual's ability to pay Graybirch and Glenridge nursing facilities in Augusta, Maine provided 82,648 days of skilled and residential care services to residents requiring long-term care services during the fiscal year ending June 30, 2013 The Alzheimer's Care Center in Gardiner, Maine provides residential care, respite, and day care services to residents with memory loss The center provided 10,922 days of residential care services and 13,104 hours of service in the day care program during the fiscal year ending June 30, 2013 In addition, MaineGeneral Rehabilitation operates an early learning center that provides child care services to employees' children and provides assisted living services to residents living at the Inn at City Hall in Augusta, Maine

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

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	All Forms 990 and related attachments were reviewed by appropriate members of senior management, the Finance Committee, and the Board of Directors before the filings were sent to the Internal Revenue Service. Final drafts of Forms 990 were available thirty days prior to the filing deadline in order to be formally reviewed by the Senior Vice President and Chief Financial Officer, the Compliance Officer, the entire senior management team, the Finance Committee, and the Board of Directors. Forms 990 and related attachments were provided to and reviewed by the Finance Committee in April 2014 and by the Board of Directors in May 2014.

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

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

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

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 9	Additional Pension Liability 11144713 Loss From Debt Refinance -6555

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

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

Part I

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Kennebec Risk LLC 199 Main Street Burlington, VT 05401 45-5473855	Captive Insurance Company	VT	2,083,316	3,770,774	MaineGeneral Medical Center

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) MaineGeneral Health 35 Medical Center Parkway Augusta, ME 04330 04-3369649	Provider of management support service to non-profit healthcare subsidiaries	ME	501(c)(3)	Line 11b, II	N/A		No

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

Part V

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

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

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

k

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

l

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

m

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

n

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

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

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

s

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

	Yes	No
1a		No
1b		No
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k		No
1l		No
1m	Yes	
1n		No
1o	Yes	
1p	Yes	
1q		No
1r		No
1s		No

2

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

Schedule R (Form 990) 2012

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

[illegible]

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	
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**MaineGeneral Health
and Subsidiaries**

**Audited Consolidated Financial Statements
and Additional Information**

*Years Ended June 30, 2013 and 2012
With Independent Auditors' Report*

MAINEGENERAL HEALTH AND SUBSIDIARIES

Audited Consolidated Financial Statements and Additional Information

Years Ended June 30, 2013 and 2012

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BAKER | NEWMAN | NOYES

Registered Public Accounting Firm

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
MaineGeneral Health and Subsidiaries

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MaineGeneral Health and Subsidiaries as of June 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Portland, Maine
September 27, 2013

Limited Liability Company

Baker Newman & Noyes, LLC

MAINEGENERAL HEALTH AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

June 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and cash equivalents	\$ 18,938,349	\$ 19,592,935
Investments	3,389,118	2,643,295
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$24,179,000 in 2013 and \$30,109,000 in 2012	60,193,712	41,569,106
Supplies	4,573,785	4,005,167
Pledges receivable, net of allowance	1,662,863	9,555,455
Prepaid expenses and other current assets	13,787,217	8,454,672
Estimated third-party payor settlements – due from State of Maine	<u>38,000,000</u>	<u>—</u>
Total current assets	140,545,044	85,820,630
Investments:		
Unrestricted	29,978,085	28,905,956
Assets whose use is limited or restricted:		
Board-designated:		
Funded depreciation	1,859,318	1,637,535
New hospital	48,310,323	47,313,334
Other	13,698,081	12,169,556
Assets held in trust under debt and other agreements	46,248,420	211,687,196
Beneficial interest in perpetual trusts	10,471,988	9,951,744
Permanently donor-restricted	5,945,676	5,906,254
Temporarily donor-restricted	<u>24,389,798</u>	<u>15,720,243</u>
	180,901,689	333,291,818
Beneficial interest in workers' compensation trust	<u>2,386,992</u>	<u>2,189,490</u>
Total investments and assets whose use is limited or restricted	183,288,681	335,481,308
Pledges receivable, net of current portion	3,770,321	11,418,315
Estimated third-party payor settlements – due from State of Maine	—	38,000,000
Property and equipment	394,543,656	234,026,756
Assets available for sale	706,625	3,048,001
Other assets, net	<u>8,964,943</u>	<u>8,443,790</u>
Total assets	\$ <u>731,819,270</u>	\$ <u>716,238,800</u>

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current liabilities:		
Line of credit	\$ —	\$ 938,020
Accounts payable and accrued expenses	25,907,974	28,312,168
Accrued employee compensation and compensated absences	26,526,934	23,130,732
Estimated third-party payor settlements	9,724,013	10,274,108
Other current liabilities	22,245,800	20,826,368
Current portion of long-term debt	<u>3,381,823</u>	<u>5,611,197</u>
Total current liabilities	87,786,544	89,092,593
Long-term debt, less current portion	321,437,495	323,653,988
Accrued pension cost	26,632,000	43,027,921
Deferred refundable and nonrefundable advance fees	13,058,250	13,159,998
Other long-term liabilities	<u>3,595,859</u>	<u>3,765,038</u>
Total liabilities	452,510,148	472,699,538
Commitments and contingencies		
Net assets:		
Unrestricted	233,068,476	190,987,251
Temporarily restricted	29,822,982	36,694,013
Permanently restricted	<u>16,417,664</u>	<u>15,857,998</u>
Total net assets	279,309,122	243,539,262
Total liabilities and net assets	<u>\$ 731,819,270</u>	<u>\$ 716,238,800</u>

See accompanying notes.

MAINEGENERAL HEALTH AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenue.		
Net patient service revenue	\$ 392,024,113	\$ 390,967,238
Other revenue	30,642,400	25,498,430
Net assets released from restrictions used for operations	<u>590,549</u>	<u>788,537</u>
Total operating revenue	423,257,062	417,254,205
Operating expenses:		
Salaries and wages	196,975,748	188,641,718
Employee benefits	46,046,605	48,091,979
Supplies and other	151,221,350	144,138,253
Depreciation and amortization	16,847,378	19,869,360
Interest	<u>1,592,472</u>	<u>1,823,308</u>
Total operating expenses	<u>412,683,553</u>	<u>402,564,618</u>
Income from operations	10,573,509	14,689,587
Nonoperating gains (losses):		
Investment income	1,367,208	1,156,830
Realized gains on investments, net	2,763,879	5,481,884
Gain (loss) on disposal of property and equipment, net	664,118	(117,262)
Contributions	380,174	372,892
Loss on assets available for sale	—	(23,749,966)
Loss on refinancing of debt	<u>(6,555)</u>	<u>—</u>
Total nonoperating gains (losses), net	<u>5,168,824</u>	<u>(16,855,622)</u>
Excess (deficiency) of revenue over expenses	15,742,333	(2,166,035)
Change in net unrealized gains (losses) on investments	1,514,965	(7,726,341)
Pension-related changes other than net periodic pension cost	12,016,810	(19,564,244)
Net assets released from restrictions used for capital acquisitions	<u>12,807,117</u>	<u>43,678</u>
Increase (decrease) in unrestricted net assets	<u>\$ 42,081,225</u>	<u>\$ (29,412,942)</u>

See accompanying notes.

MAINEGENERAL HEALTH AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted net assets:		
Excess (deficiency) of revenue over expenses	\$ 15,742,333	\$ (2,166,035)
Change in net unrealized gains (losses) on investments	1,514,965	(7,726,341)
Pension-related changes other than net periodic pension cost	12,016,810	(19,564,244)
Net assets released from restrictions used for capital acquisitions	<u>12,807,117</u>	<u>43,678</u>
Increase (decrease) in unrestricted net assets	42,081,225	(29,412,942)
Temporarily restricted net assets:		
Contributions	5,577,012	28,622,950
Investment income	314,576	207,372
Realized gains on investments, net	438,029	790,017
Change in net unrealized gains (losses) on investments	197,018	(865,136)
Net assets released from restrictions	<u>(13,397,666)</u>	<u>(832,215)</u>
(Decrease) increase in temporarily restricted net assets	(6,871,031)	27,922,988
Permanently restricted net assets:		
Contributions	17,221	24,200
Change in market value of perpetual trusts	520,244	(534,199)
Change in net unrealized gains (losses) on investments	2,529	(35,088)
Realized gains on investments, net	<u>19,672</u>	<u>36,408</u>
Increase (decrease) in permanently restricted net assets	<u>559,666</u>	<u>(508,679)</u>
Increase (decrease) in net assets	35,769,860	(1,998,633)
Net assets, beginning of year	<u>243,539,262</u>	<u>245,537,895</u>
Net assets, end of year	<u>\$279,309,122</u>	<u>\$ 243,539,262</u>

See accompanying notes.

MAINEGENERAL HEALTH AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 35,769,860	\$ (1,998,633)
Adjustments to reconcile increase (decrease) in net assets to cash provided by operating activities:		
Loss on assets available for sale	—	23,749,966
Amortization of bond premium	(95,708)	(94,123)
Depreciation and amortization	16,847,378	19,869,360
Amortization of deferred refundable and nonrefundable advance fees	(950,245)	(942,907)
Provision for doubtful accounts	23,003,973	23,071,362
Loss on refinancing of debt	6,555	—
Pension related changes other than net periodic pension cost	(12,016,810)	19,564,244
Change in market value of perpetual trusts	(520,244)	534,199
Net change in unrealized gains on investments	(1,714,512)	8,626,565
Realized gains on sale of investments	(3,221,580)	(6,308,309)
Equity earnings on joint ventures	(1,202,951)	(1,427,255)
(Gain) loss on disposal of property and equipment, net	(664,118)	117,262
Restricted contributions	(5,594,233)	(28,647,150)
Increase (decrease) in cash resulting from a change in:		
Patient accounts receivable	(41,628,579)	(25,815,126)
Supplies	(568,618)	689,736
Prepaid expenses and other current assets	(5,332,545)	(1,296,887)
Notes receivable	3,653	3,462
Accounts payable and accrued expenses	2,886,216	(4,425,898)
Other current liabilities	4,815,634	14,092,231
Estimated third-party payor settlements	(550,095)	(14,601,553)
Other liabilities and accrued pension cost	<u>(3,843,421)</u>	<u>(3,215,885)</u>
Net cash provided by operating activities	5,429,610	21,544,661
Cash flows from investing activities:		
Proceeds from sale of investments	217,731,233	175,581,674
Purchases of investments	(52,306,669)	(377,915,830)
Purchases of property and equipment	(182,633,685)	(101,604,381)
Proceeds from sale of property and equipment	2,543,781	19,426
Distributions from joint ventures	<u>436,937</u>	<u>1,233,130</u>
Net cash used by investing activities	(14,228,403)	(302,685,981)

MAINEGENERAL HEALTH AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from financing activities:		
Payments on long-term debt and line of credit, net	\$ (3,545,848)	\$ (5,647,009)
Proceeds from issuance of long-term debt	16,889,617	280,812,878
Bond premium	174,130	—
Bond issuance costs	(100,584)	(5,184,655)
Amounts paid to refinance debt	(18,735,000)	—
Advance fees received	3,670,604	1,633,000
Refunds of advance fees	(2,822,107)	(1,488,253)
Restricted contributions	<u>12,613,395</u>	<u>11,702,625</u>
Net cash provided by financing activities	<u>8,144,207</u>	<u>281,828,586</u>
(Decrease) increase in cash and cash equivalents	(654,586)	687,266
Cash and cash equivalents, beginning of year	<u>19,592,935</u>	<u>18,905,669</u>
Cash and cash equivalents, end of year	<u>\$ 18,938,349</u>	<u>\$ 19,592,935</u>
Supplemental disclosure:		
Cash paid for interest (interest of approximately \$17 million in both 2013 and 2012 was capitalized as part of the construction project and approximately \$10 million was accrued at both June 30, 2013 and 2012)	<u>\$ 19,282,059</u>	<u>\$ 9,258,447</u>
Supplemental disclosure of noncash activities:		
Construction amounts remaining in accounts payable	\$ 16,257,708	\$ 21,548,118
Equipment acquired through capital lease	—	451,751
Contributed securities	8,521,424	65,355

See accompanying notes

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

1. Corporate Organization

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

On July 1, 2012, Kennebec Risk, LLC (the Captive) began operations as a subsidiary of the Medical Center. The purpose of the Captive is to engage in the business of insuring various types of risks as a captive insurance company licensed in the State of Vermont. The Medical Center provided equity contributions in the amount of \$750,000 for the year ended June 30, 2013 to partially capitalize the Captive. In July 2012, MGH secured a standby letter of credit with an approved amount of \$1,250,000 for additional capitalization of the Captive.

On March 21, 2013, MaineGeneral Health Associates (MGHA), a corporation that had been organized as a subsidiary of MGH, was dissolved.

2. Summary of Significant Accounting Policies

General

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

Principles of Consolidation

Upon consolidation, significant intercompany accounts and transactions have been eliminated.

Basis of Presentation

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

Use of Estimates

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

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Under the terms of various agreements, regulations and statutes, certain elements of third-party reimbursements are subject to negotiation, audit and/or final determination by the third-party payor. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Variances between preliminary estimates of net patient service revenue and final third-party settlements are included in net patient service revenue in the year in which the settlement or change in estimate occurs. The differences between amounts previously estimated and amounts subsequently determined to be receivable or payable to third-party payors increased net patient service revenue by approximately \$3,000,000 and \$9,966,000 for the years ended June 30, 2013 and 2012, respectively.

The balance sheets at June 30, 2013 and 2012 include \$38,000,000, which represent amounts due from the State of Maine under the MaineCare program. The amounts recorded have been determined based upon applicable regulations and the Company expects that these amounts will ultimately be paid in full. Due to the complex nature of such regulations and the significant problems the State has encountered with its claims payment system, there is at least a reasonable possibility that recorded estimates will change by a material amount at final settlement (see Note 18).

Revenues from the Medicare and Medicaid programs accounted for approximately 35% and 14%, respectively, of the Company's net patient service revenue for the year ended June 30, 2013, and 28% and 18%, respectively, for the year ending June 30, 2012. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Company believes that it is in substantial compliance with all applicable laws and regulations.

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

Charity Care

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

Cash and Cash Equivalents

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

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable

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

Investments and Investment Income

Investments in equity securities with readily determinable market values and all investments in debt securities are recorded at fair market value. At June 30, 2013 and 2012 the Company held interests in limited partnerships and common/collective trusts, also known as alternative investments. Interests in limited partnerships or common/collective trusts are generally recorded at fair market value. Securities for which no quotations or valuations are readily available are carried at fair value as estimated by management using values provided by external investment managers. The Company believes that these valuations are a reasonable estimate of fair value as of June 30, 2013 and 2012, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess (deficiency) of revenue over expenses, unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess (deficiency) of revenue over expenses.

Interest and dividend income and realized gains on proceeds of borrowings that are held by a trustee, to the extent not capitalized, and investment income on short-term investments, certain workers' compensation trust assets, and cash and cash equivalents, are reported as other revenue. Investment income (including realized gains and losses on investments, interest and dividends) from all other investments, unless donor-restricted, is reported as nonoperating gains.

On a periodic basis, the Company reviews declines in the value of securities below historical cost and records an impairment charge (included in the performance indicator) for those declines deemed to be other-than-temporary. There were no impairment charges recorded as of June 30, 2013 and 2012.

Investments within current assets are those that management intends to use for current operations.

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

Supplies

Supplies are stated at the lower of weighted average cost or market (net realizable value).

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Accrued Insurance Reserves

The Company established the Captive on July 1, 2012 as a limited liability company with the Medical Center as the sole member to self-fund the Company's and its employed physicians' malpractice losses. The Captive insures the first \$2 million per medical incident/\$6 million in the aggregate of the hospital professional liability, employed physician medical professional liability, and general liability risks of the Company. Claims exceeding \$2 million are covered under the Company's separate policy. The Captive assesses monthly premiums to the Company, based on actuarial analyses of anticipated losses and projected operating costs of the Captive. The Company establishes reserves for anticipated claims and determines malpractice insurance expense based on actual experience, physician census, and estimates of incurred but not reported claims.

The Company manages a self-insured irrevocable trust fund for workers' compensation claims, which covers MGH and all subsidiaries. The self-insurance program is managed with the assistance of a professional insurance consultant and is funded according to actuarial projections approved by the State of Maine Bureau of Insurance (the Bureau). Reinsurance has been purchased with limits which conform to the requirements of the Bureau. The Company establishes reserves for each claim and determines workers' compensation expense based on actual claims experience, employee census, and historical trends as evaluated by a professional actuary. The expense is allocated among the relevant consolidated entities based on a weighted premium calculated by employee job classification.

MGH maintains a self-insured health benefit arrangement for MGH and all subsidiaries. Employee Benefit Plan Administration, Inc. serves as the third-party administrator of the plan and provides specific stop loss coverage with a deductible per individual of \$250,000 and \$225,000 for the years ended June 30, 2013 and 2012, respectively. MGH establishes reserves for anticipated claims and determines health insurance expense based on actual claims experience, employee census, and estimates of incurred but not reported claims.

Deferred Refundable and Nonrefundable Advance Fees

Fees paid by a resident upon entering into a continuing care contract are recorded as deferred revenue and are amortized to income based on two different methods: one method for the refundable advance fees and another method for the nonrefundable advance fees. The refundable advance fees are amortized to income over future periods based on the remaining useful life of the facility. The nonrefundable advance fees are amortized to income over future periods based on the estimated life of each resident or contract term, if shorter. Refundable advance fees are paid back upon receipt of total advance fees received from a resident upon sale of a similar residential unit. Refundable advance fees at June 30, 2013 and 2012 were approximately \$11,392,000 and \$11,791,000, respectively. Nonrefundable advance fees at June 30, 2013 and 2012 were approximately \$1,666,000 and \$1,369,000, respectively.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Assets Whose Use is Limited or Restricted

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

Other Revenue

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

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Company are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is actually received or the conditions are met. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions.

Beneficial Interest in Perpetual Trusts

The Company is the beneficiary of several trust funds administered by trustees or other third parties. Trusts, wherein the Company has an irrevocable right to receive the income earned on the trust assets in perpetuity, are recorded as permanently restricted net assets at the fair value of the trust at the date of receipt and are included in donor-restricted funds in the consolidated balance sheet. Income distributions from the trusts are reported as investment income that increase unrestricted net assets, unless restricted by the donor. Annual changes in market value of the trusts are recorded as increases or decreases to permanently restricted net assets.

Temporarily and Permanently Restricted Net Assets

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

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Retirement Plans

The Company sponsors a noncontributory, defined benefit plan established for the purpose of providing employees of MaineGeneral Health and certain of its affiliates with certain retirement benefits. The Company elected to freeze the plan as of December 31, 2004. Consequently, benefits shall be no greater than the monthly retirement benefit accrued as of December 31, 2004. The Company's funding policy is to make cash contributions to the plan in amounts sufficient to comply with the requirements of ERISA as computed by the plan's actuary.

The Company also sponsors defined contribution retirement plans which cover substantially all employees who have met certain eligibility requirements of the respective plans. See Note 12 for further information on the retirement plans.

Excess (Deficiency) of Revenue Over Expenses

The consolidated statements of operations include excess (deficiency) of revenue over expenses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenue over expenses, consistent with industry practice, include changes in unrealized gains and losses on investments, contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets) and pension related changes other than net periodic pension cost.

Tax Status

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

The Captive is a limited liability company (LLC) under the Federal Income Tax Code and as a LLC is exempt from federal and state taxes.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense. The Company has evaluated the tax positions taken on its filed tax returns. The Company has concluded no uncertain income tax positions exist at June 30, 2013. The Company's tax years from 2010 through 2013 are open and subject to examination

MAINE GENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Functional Expenses

The Company provides general health services to area residents. Expenses incurred by the Company for the years ended June 30, 2013 and 2012 were predominantly related to this mission.

New Accounting Standards

In 2013, the Company adopted the provisions of Accounting Standards Updates (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Doubtful accounts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. ASU 2011-07 requires health care entities to change the presentation of the statement of operations by reclassifying the provision for doubtful accounts from an operating expense to a deduction from patient service revenues.

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through September 27, 2013 which is the date the consolidated financial statements were available to be issued.

Prospective Accounting Pronouncement

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

3. Net Patient Service Revenue

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

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

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

3. Net Patient Service Revenue (Continued)

The consolidated balance sheet includes amounts due from the State of Maine under the MaineCare program of \$38,000,000 in both 2013 and 2012. The 2012 amount was classified as long term as payment was not expected in the Medical Center's fiscal 2013. See Note 18 for 2013. The amounts recorded from the State have been determined based upon applicable regulations and the Company expects that these amounts will ultimately be paid in full. Due to the complex nature of such regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount.

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

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

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

	<u>2013</u>	<u>2012</u>
Gross patient service charges	\$ 837,029,706	\$ 773,194,956
Contractual adjustments	(405,758,497)	(347,784,813)
Charity care	(16,243,123)	(11,371,543)
Provision for bad debt	<u>(23,003,973)</u>	<u>(23,071,362)</u>
Net patient service revenue	<u>\$ 392,024,113</u>	<u>\$ 390,967,238</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

3. Net Patient Service Revenue (Continued)

Revenue from third-party payors and the uninsured are summarized as follows at June 30:

	<u>2013</u>	<u>2012</u>
Medicare	\$145,077,226	\$ 114,809,119
Medicaid	58,677,440	73,766,962
Commercial	194,075,974	207,679,431
Patients	<u>17,197,446</u>	<u>17,783,088</u>
	415,028,086	414,038,600
Provision for bad debt	<u>(23,003,973)</u>	<u>(23,071,362)</u>
	<u>\$392,024,113</u>	<u>\$ 390,967,238</u>

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Company analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor 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 Company analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Company records a provision for doubtful accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Company's allowance for doubtful accounts as a percent of gross accounts receivable was 23% at June 30, 2012 and 15.5% at June 30, 2013. The Company's provision for doubtful accounts remained consistent at approximately \$23 million in 2013 and 2012.

4. Community Benefit and Charity Care

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

- The CarePartners program has been in place since 1998 and, to date, has served approximately 17,600 uninsured individuals in the region, providing primary care, preventive services, hospital services, pharmaceuticals, care management and specialty care by participating providers.
- For children and families, the Company offers several health promotion programs throughout the year, including breast feeding classes, sibling classes, and parenting education.

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

4. Community Benefit and Charity Care (Continued)

- Last year, the Medical Center provided approximately 500 community health events, including free education sessions, support meetings and screenings, to approximately 12,500 participants. It provided approximately 140 seasonal flu vaccinations at its community clinics, more than 3,900 H1N1 flu vaccinations at area schools, and more than 300 free health screenings, including sun safety and blood pressure.
- For adults and seniors, the Company provides classes and support groups aimed at health and wellness, including cancer prevention, diabetes care and smoking cessation, along with support groups for area individuals with a variety of health problems, including cancer, bariatric surgery, brain injury, stroke and hospice.
- The Medical Center's Physician Hospital Organization is part of an employer healthcare collaborative designed to help improve employees' health, concentrating on high risk behaviors and chronic disease. Overall, the goals are to help stabilize rising healthcare costs and enhance individuals' quality of life.

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

Charity care is measured based on services provided at established rates but is not included in net patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses. The Company determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended June 30, 2013 and 2012 were approximately \$5,945,000 and \$4,666,000, respectively. Charges for services rendered to individuals from whom payment is expected and ultimately not received are written off and included as part of the provision for bad debt.

5. Accounts Receivable

Accounts receivable consisted of the following at June 30:

	<u>2013</u>	<u>2012</u>
Patient accounts receivable	\$139,422,371	\$128,991,711
Allowance for contractual adjustments	(55,043,905)	(33,814,667)
Allowance for doubtful accounts	(24,178,577)	(30,108,939)
Advance payments from third-party payors	<u>(6,177)</u>	<u>(23,498,999)</u>
	<u>\$ 60,193,712</u>	<u>\$ 41,569,106</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

6. Pledges Receivable

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

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

	<u>2013</u>	<u>2012</u>
Within one year	\$1,765,651	\$ 9,856,764
One to five years	3,702,266	12,189,037
Due after five years	<u>505,167</u>	<u>545,793</u>
Pledges receivable	5,973,084	22,591,594
Less allowance for uncollectible pledges	(229,012)	(683,354)
Present value discount	<u>(310,888)</u>	<u>(934,470)</u>
Pledges receivable, net	<u>\$5,433,184</u>	<u>\$20,973,770</u>

A grant commitment of \$35,000,000 was received from a private foundation for the purposes of construction, furnishing, and associated landscaping of a new regional replacement hospital and Thayer comprehensive outpatient center. The commitment is comprised of a core support payment of \$25,000,000 subject to certain conditions, with payments of approximately \$8,333,000, \$8,333,000 and \$8,333,000 to be made to the Medical Center on December 31, 2011, December 31, 2012 and June 30, 2013, respectively. At June 30, 2013, all payments had been received. Provided the conditions for the core support payment are satisfied, the foundation has agreed to pay up to an additional \$10,000,000 to the Medical Center for the purpose of matching charitable contributions to the Project, subject to certain conditions. Through June 30, 2013, approximately \$3,200,000 has been received and recorded as contributions on this additional pledge. The commitment letter also confirmed the foundation's pledge of collateral for a surety bond to be obtained by the Medical Center for the Debt Service Reserve Fund associated with the issuance of tax exempt bonds by the Maine Health and Higher Educational Facilities Authority (MHHEFA) to finance the Project. Refer to Note 10 for further discussion.

A grant commitment of \$4,000,000 was received from a private foundation for the purpose of establishing a Healthy Living Resource Center at the Company. The purpose of the center is to provide the Company's patients and their families, employees and the community with educational wellness opportunities and supportive resources to enhance their health and mitigate the incidence of chronic diseases. The grant commitment is contingent upon a financial commitment from the Company to the center and related health initiatives. Through June 30, 2013, \$400,000 of this pledge has been earned and recorded as contributions.

MAINE GENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

7. Investments

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

	2013		2012	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Short-term investments:				
Cash and cash equivalents	\$ 273,964	\$ 273,965	\$ 285,927	\$ 285,927
Certificate of deposit	250,000	250,000	—	—
Fixed income mutual funds	<u>2,680,267</u>	<u>2,865,153</u>	<u>2,155,196</u>	<u>2,357,368</u>
Total short-term investments	3,204,231	3,389,118	2,441,123	2,643,295
Long-term investments:				
Cash and cash equivalents	15,617,866	15,617,868	32,041,494	32,041,494
Accrued interest	38,656	38,656	40,997	40,997
Guaranteed income contract	96,732,470	96,732,470	238,583,795	238,583,795
U.S. Government securities	1,522,829	1,529,889	3,773,685	3,820,435
Corporate equity securities	2,909,721	3,594,525	—	—
Common stock mutual funds	7,050,229	7,529,320	12,357,824	12,192,077
Limited partnerships	15,054,799	18,975,129	11,708,490	15,163,603
Global asset allocation				
mutual funds	19,954,281	19,669,263	16,476,149	15,895,235
Fixed income mutual funds	6,043,555	6,081,496	5,511,579	5,847,059
Corporate debt securities	1,725,486	1,699,983	800,389	793,752
International government securities	740,214	735,884	559,602	562,130
Beneficial interest in charitable				
remainder trusts	521,278	612,210	505,487	588,987
Beneficial interest in perpetual				
trusts	<u>9,367,364</u>	<u>10,471,988</u>	<u>9,068,840</u>	<u>9,951,744</u>
Total long-term investments	<u>177,278,748</u>	<u>183,288,681</u>	<u>331,428,331</u>	<u>335,481,308</u>
Total investments	<u>\$ 180,482,979</u>	<u>\$ 186,677,799</u>	<u>\$ 333,869,454</u>	<u>\$ 338,124,603</u>

Included in limited partnerships are commingled funds with a market value of \$18,975,129 and \$15,163,603 at June 30, 2013 and 2012, respectively, whose holdings are in U.S. and international equities.

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

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

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

7. Investments (Continued)

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

	<u>2013</u>	<u>2012</u>
Unrestricted:		
Investment income	\$1,367,208	\$ 1,156,830
Investment income included in other revenue	184,277	178,396
Change in net unrealized losses on investments	1,514,965	(7,726,341)
Realized gains on investments, net	<u>2,763,879</u>	<u>5,481,884</u>
Total unrestricted	5,830,329	(909,231)
Temporarily restricted		
Investment income	314,576	207,372
Change in net unrealized losses on investments	197,018	(865,136)
Realized gains on investments, net	<u>438,029</u>	<u>790,017</u>
Total temporarily restricted	949,623	132,253
Permanently restricted:		
Change in net unrealized losses on investments	2,529	(35,088)
Change in market value of perpetual trusts	520,244	(534,199)
Realized gains on investments, net	<u>19,672</u>	<u>36,408</u>
Total permanently restricted	<u>542,445</u>	<u>(532,879)</u>
	<u>\$7,322,397</u>	<u>\$ (1,309,857)</u>

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

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

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

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

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

7. Investments (Continued)

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

The Medical Center is a beneficiary of irrevocable perpetual trusts. The amounts reflected as an asset on the balance sheet are valued at the fair value of the Medical Center's interest in the perpetual trust. At June 30, 2013 and 2012, the Medical Center has recorded the beneficial interest in the perpetual trusts of \$10,471,988 and \$9,951,744, respectively.

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

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2013				
Short-term investments:				
Cash and cash equivalents	\$ 273,965	\$ —	\$ —	\$ 273,965
Certificates of deposit	—	250,000	—	250,000
Fixed income mutual funds	<u>2,865,153</u>	<u>—</u>	<u>—</u>	<u>2,865,153</u>
Total short-term investments	3,139,118	250,000	—	3,389,118
Long-term investments:				
Cash and cash equivalents	15,617,868	—	—	15,617,868
Accrued interest	38,656	—	—	38,656
Guaranteed income contracts	—	96,732,470	—	96,732,470
U.S. Government securities	1,529,889	—	—	1,529,889
Corporate equity securities	3,594,525	—	—	3,594,525
Common stock mutual funds	7,529,320	—	—	7,529,320
Limited partnerships	—	18,975,129	—	18,975,129
Global asset allocation mutual funds	19,669,263	—	—	19,669,263
Fixed income mutual funds	6,081,496	—	—	6,081,496
Corporate debt securities	—	1,699,983	—	1,699,983
International government securities	<u>735,884</u>	<u>—</u>	<u>—</u>	<u>735,884</u>
Total long-term investments	54,796,901	117,407,582	—	172,204,483
Beneficial interest in charitable remainder trusts	—	—	612,210	612,210
Beneficial interest in perpetual trusts	<u>—</u>	<u>—</u>	<u>10,471,988</u>	<u>10,471,988</u>
Total investments	<u>\$57,936,019</u>	<u>\$117,657,582</u>	<u>\$11,084,198</u>	<u>\$ 186,677,799</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2013 and 2012

8. Property and Equipment (Continued)

Assets Available for Sale

Consistent with the decision to consolidate the Augusta and Waterville inpatient services, the Medical Center has reported certain property and equipment (primarily the Augusta campus property and Waterville Seton property) related to the existing facilities as available for sale on the consolidated balance sheet in an amount equal to the estimated fair value of the property. At June 30, 2012, the Medical Center reported an impairment loss in the amount of \$23,749,966 in nonoperating gains (losses) for the excess of the carrying value of the assets over the fair value.

On January 18, 2013, the Augusta campus property was sold to a developer at a selling price of \$2,500,000, which was the estimated fair value of the property. Under the agreement, the Medical Center will lease the Augusta campus property through January 31, 2014 at a lease cost of approximately \$924,000.

9. Other Assets

Other assets were composed of the following at June 30:

	<u>2013</u>	<u>2012</u>
Deferred financing costs, net	\$5,731,437	\$5,943,465
Investment in joint ventures	2,395,865	2,453,101
Note receivable	43,893	47,224
Prepaid expenses	<u>793,748</u>	<u>—</u>
	<u>\$8,964,943</u>	<u>\$8,443,790</u>

Amortization expense related to deferred financing costs for the years ended June 30, 2013 and 2012 was approximately \$264,000 and \$193,000, respectively.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

10. Long-Term Obligations

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

	<u>2013</u>	<u>2012</u>
2013A Series Revenue Bonds, interest at fixed rates ranging from 2.0% to 5.0%, maturing in various amounts through 2017	\$ 1,862,250	\$ —
2011 Series Revenue Bonds, interest at fixed rates ranging from 4.0% to 7.5%, maturing in various amounts through 2041	280,750,000	280,750,000
2006 Series A Revenue Bonds, interest at fixed rates ranging from 3.5% to 5.0%, maturing in various amounts through 2025	25,755,735	28,135,735
2003D Revenue Bonds, interest at fixed rates ranging from 2.0% to 3.4%, maturing in various amounts through 2017	—	3,004,881
Bangor Savings Bank term loan, interest at a fixed rate of 3.16%	14,750,000	—
Bank of America term loan, interest at LIBOR rate plus 0.9%	—	15,621,206
Other notes payable	73,976	98,611
Capital lease obligation, payments in various amounts through 2021	<u>393,569</u>	<u>428,308</u>
	323,585,530	328,038,741
Net unamortized original issue premium/discount	<u>1,233,788</u>	<u>1,226,444</u>
	324,819,318	329,265,185
Less current portion	<u>(3,381,823)</u>	<u>(5,611,197)</u>
	<u>\$321,437,495</u>	<u>\$323,653,988</u>

In October 2003, MGRNC participated in a pooled financing of MHHEFA Series 2003D Revenue Bonds in the amount of \$7,565,000, plus original issue premium of \$207,715. In May 2013, the Bonds were paid in full from the proceeds of a financing of MHHEFA Series 2013A Revenue Bonds.

In February 2006, the Medical Center and MGRC participated in a pooled financing of MHHEFA Series 2006A Revenue Bonds. The Medical Center borrowed approximately \$30,113,000, including original issue premium of \$1,073,000 to construct a cancer center and renovate emergency rooms at both Augusta and Waterville campuses. MGRC borrowed approximately \$10,342,000, including original issue premium of \$517,239, to construct an assisted living facility and to refinance debt in the amount of \$3,112,239. Under the Master Indenture, the debt is collateralized by gross receipts of the Obligated Group (the Medical Center, MGH, HRN, MGRNC, MGRC and MGHA through March 2013 at which time it was dissolved). In accordance with the terms of the bond indenture, the Obligated Group is required to maintain certain financial covenants, including a minimum aggregate debt service coverage ratio of 1.20.

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

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

10. Long-Term Obligations (Continued)

In December 2010, the Medical Center entered into a term loan agreement with the Bank of America, N.A. for the purpose of refinancing the Medical Center 1997 Series B Revenue Bonds in the amount of approximately \$17,734,000. Under the terms of the loan agreement, the Medical Center was required to pay interest at the LIBOR rate plus 1.65% on the outstanding principal. On July 25, 2011, the Medical Center refinanced the term loan with Bank of America, N.A. In April 2013, the term loan was paid in full from the proceeds of a term loan from Bangor Savings Bank.

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

In April 2013, the Medical Center entered into a term loan agreement with Bangor Savings Bank for the purpose of refinancing the term loan with the Bank of America in the amount of \$15,000,000. Under the terms of the loan agreement, the Medical Center is required to remit fixed monthly principal payments of \$125,000, plus accrued interest at a fixed rate of 3.16% on the outstanding principal balance, commencing on May 19, 2013, until the maturity date of April 19, 2018, at which time the term note is due and payable in full. Under the loan agreement, the Medical Center has granted Bangor Savings Bank a first mortgage lien on its Waterville real estate. In accordance with the terms of the loan agreement, the Medical Center is required to maintain certain financial covenants, including a minimum debt service coverage ratio of 1.20, a maximum debt to capitalization ratio of 75%, and a minimum days cash on hand of 50 days.

In May 2013, MGRNC participated in a pooled financing of MHHEFA Series 2013A Revenue Bonds in the amount of \$1,862,250, plus original issue premium of \$174,130, for the purpose of refinancing the MGRNC Series 2003D Revenue Bonds. Under the Master Indenture, the debt is collateralized by gross receipts of the Obligated Group (the Medical Center, MGH, HRN, MGRNC and MGRC) and a security interest in MGRNC's equipment and a mortgage lien on the facility. In accordance with the terms of the bond indenture, the Obligated Group is required to maintain certain financial covenants, including a minimum aggregate debt service coverage rate of 1.20.

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

2014	\$ 3,381,823
2015	3,953,944
2016	4,176,636
2017	4,346,756
2018	11,192,566
Thereafter	<u>296,533,805</u>
	<u>\$ 323,585,530</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

10. Long-Term Obligations (Continued)

At June 30, 2012, the Company had an available line of credit of \$7,500,000 with interest at 2.25% above LIBOR with a minimum interest rate of 3.25% per annum (3.25% at June 30, 2012). The line of credit was secured by a continuing lien on and security interest in all deposit accounts and funds on deposit therein. At June 30, 2012, approximately \$938,000 was outstanding on the line of credit. The line of credit matured and was paid in full on February 28, 2013.

In July 2012, MGH was issued a standby letter of credit by Wells Fargo Bank, N.A. through Bangor Savings Bank for the purpose of capitalizing the Captive. The maximum amount available under this agreement is \$1,250,000. The interest rate, according to the agreement, is based on the Prime rate, and principal and interest payments are due upon demand. The letter of credit expires on July 6, 2014.

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

	<u>2013</u>	<u>2012</u>
2013A MHHEFA Bond Debt Service Fund	\$ 1.903	\$ —
2011 MHHEFA Bond.		
Construction Fund	148,072	136,287,846
Capitalized Interest Fund	28,890,606	42,360,602
Debt Service Fund	2,629,907	2,613,873
Debt Service Reserve Fund	11,182,099	11,016,303
2006A MHHEFA Bond Debt Service Fund	2,347,768	3,137,870
2003D MHHEFA Bond Debt Service Fund	—	630,184
State of Maine Employee Health Commission Reserve Fund	1,048,065	—
Bank of America term loan	<u>—</u>	<u>15,640,518</u>
	<u>\$46,248,420</u>	<u>\$211,687,196</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

11. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are restricted for the purchase of specific equipment, for building construction, or for specified uses by various departments as follows at June 30:

	<u>2013</u>	<u>2012</u>
Pledges receivable for construction and other purposes	\$ 5,433,184	\$20,973,770
New hospital	20,897,625	12,371,561
Equipment purchase	149,440	178,801
Amounts receivable from charitable remainder trusts	542,340	521,645
Education programs	525,452	550,268
Cancer care	136,275	331,702
Charity care	738,816	620,313
Accumulated realized/unrealized gains on investments for support of the Company	901,250	569,764
Other	<u>498,600</u>	<u>576,189</u>
	<u>\$29,822,982</u>	<u>\$36,694,013</u>

During 2013 and 2012, net assets were released from donor restrictions by making expenditures satisfying the restricted purposes of construction, charity care, acquisition of equipment, and other departmental operating costs of approximately \$13,398,000 and \$832,000, respectively.

Permanently restricted net assets, which include beneficial interests in perpetual trusts and certain endowment funds of the Company, are as follows at June 30:

	<u>2013</u>	<u>2012</u>
Scholarships	\$ 222,488	\$ 221,409
Education programs	373,162	373,162
Amounts receivable from charitable remainder trusts	69,870	67,342
Community health programs	235,286	235,286
Alzheimers care center	1,103,954	1,084,176
Medical Center support	1,465,813	1,465,817
Perpetual trusts	10,471,988	9,951,744
Equipment purchases	79,296	79,296
Charity care	1,974,779	1,962,062
Grounds maintenance	251,812	251,812
Other	<u>169,216</u>	<u>165,892</u>
	<u>\$16,417,664</u>	<u>\$15,857,998</u>

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

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

11. Temporarily and Permanently Restricted Net Assets (Continued)

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

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

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

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

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2013				
Donor-restricted funds	\$ —	\$2,351,685	\$16,417,664	\$18,769,349
Board-designated funds	<u>12,105,699</u>	<u>—</u>	<u>—</u>	<u>12,105,699</u>
Total endowment funds	<u>\$12,105,699</u>	<u>\$2,351,685</u>	<u>\$16,417,664</u>	<u>\$30,875,048</u>
2012				
Donor-restricted funds	\$ —	\$1,875,173	\$15,857,998	\$17,733,171
Board-designated funds	<u>10,803,219</u>	<u>—</u>	<u>—</u>	<u>10,803,219</u>
Total endowment funds	<u>\$10,803,219</u>	<u>\$1,875,173</u>	<u>\$15,857,998</u>	<u>\$28,536,390</u>

MAINE GENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

11. Temporarily and Permanently Restricted Net Assets (Continued)

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2013				
Endowment net assets, beginning of year	\$10,803,219	\$1,875,173	\$15,857,998	\$28,536,390
Investment return:				
Investment income	147,127	276,344	—	423,471
Net appreciation (realized and unrealized)	<u>1,309,886</u>	<u>618,755</u>	<u>542,445</u>	<u>2,471,086</u>
Total investment return	1,457,013	895,099	542,445	2,894,557
Contributions	74,134	—	17,221	91,355
Appropriation of endowment assets for expenditure	<u>(228,667)</u>	<u>(418,587)</u>	<u>—</u>	<u>(647,254)</u>
Endowment net assets, end of year	<u>\$12,105,699</u>	<u>\$2,351,685</u>	<u>\$16,417,664</u>	<u>\$30,875,048</u>
2012				
Endowment net assets, beginning of year	\$11,023,523	\$2,348,746	\$16,366,677	\$29,738,946
Investment return:				
Investment income	86,575	93,757	—	180,332
Net depreciation (realized and unrealized)	<u>(282,502)</u>	<u>(54,935)</u>	<u>(532,879)</u>	<u>(870,316)</u>
Total investment return	(195,927)	38,822	(532,879)	(689,984)
Contributions	107,784	81,344	24,200	213,328
Appropriation of endowment assets for expenditure	<u>(132,161)</u>	<u>(593,739)</u>	<u>—</u>	<u>(725,900)</u>
Endowment net assets, end of year	<u>\$10,803,219</u>	<u>\$1,875,173</u>	<u>\$15,857,998</u>	<u>\$28,536,390</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

12. Retirement Plans

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

Funded Status

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

	<u>2013</u>	<u>2012</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 133,417,373	\$ 110,875,518
Interest cost	5,332,998	5,868,814
Actuarial (gain) loss	(8,631,114)	20,893,387
Gross benefits paid	<u>(4,619,050)</u>	<u>(4,220,346)</u>
Accumulated benefit obligation, end of year	<u>\$ 125,500,207</u>	<u>\$ 133,417,373</u>
Change in plan assets:		
Fair value of plan assets, beginning of year	\$ 90,389,452	\$ 83,238,063
Actual return on plan assets	7,880,044	6,604,609
Employer contributions	5,217,761	4,767,126
Gross benefits paid	<u>(4,619,050)</u>	<u>(4,220,346)</u>
Fair value of plan assets, end of year	<u>\$ 98,868,207</u>	<u>\$ 90,389,452</u>
Funded status:		
Fair value of plan assets	\$ 98,868,207	\$ 90,389,452
Projected benefit obligation	<u>125,500,207</u>	<u>133,417,373</u>
Funded status, amount recognized end of year (noncurrent liability)	<u>\$ (26,632,000)</u>	<u>\$ (43,027,921)</u>
Amounts recognized in unrestricted net assets:		
Net actuarial loss	<u>\$ 35,557,208</u>	<u>\$ 47,574,018</u>

The components of periodic benefit cost for the plan is as follows for the years ended June 30:

	<u>2013</u>	<u>2012</u>
Components of net periodic benefit cost:		
Interest cost	\$ 5,332,998	\$ 5,868,814
Expected return on plan assets	(7,002,207)	(6,462,157)
Amortization of net loss	<u>2,507,859</u>	<u>1,186,692</u>
Net periodic benefit cost	<u>\$ 838,650</u>	<u>\$ 593,349</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

12. Retirement Plans (Continued)

The net actuarial loss that will be amortized from unrestricted net assets into net periodic benefit cost in 2014 is \$1,749,596.

The other changes in plan assets and benefit obligations recognized on the consolidated statements of operations are as follows at June 30:

	<u>2013</u>	<u>2012</u>
Change in net gain (loss)	\$ 9,508,951	\$(20,750,936)
Amortization of net loss	<u>2,507,859</u>	<u>1,186,692</u>
Total recognized	<u>\$12,016,810</u>	<u>\$(19,564,244)</u>

The assumptions used to determine the benefit obligation and periodic benefit cost are as follows at June 30:

	<u>2013</u>	<u>2012</u>
Benefit obligation:		
Weighted average discount rate	4.65%	4.07%
Periodic benefit cost:		
Weighted average discount rate	4.07%	5.40%
Weighted average expected long-term rate of return on plan assets	7.50%	7.75%

Investment Policy and Asset Allocations

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

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

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

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

12. Retirement Plans (Continued)

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

	2013 Target Allocation	2013	2012 Target Allocation	2012
Asset category:				
Large cap equity securities	25.0%	27.0%	25.0%	26.7%
Small cap equity securities	6.0	7.0	6.0	5.4
International equity securities	19.0	18.0	19.0	16.2
Fixed income securities	23.0	21.0	25.0	23.8
Global asset allocation fund	15.0	15.0	15.0	13.8
Hedge fund of funds	10.0	10.0	10.0	8.7
Other	2.0	2.0	0.0	5.4
	100.0%	100.0%	100.0%	100.0%

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

	Level 1	Level 2	Level 3	Total
2013				
Large cap equity securities	\$26,216,090	\$ —	\$ —	\$26,216,090
Small cap equity securities	3,100,090	—	—	3,100,090
International equity securities	5,027,716	—	—	5,027,716
Limited partnerships	—	16,688,965	—	16,688,965
Fixed income securities	18,452,952	—	—	18,452,952
Global asset allocation fund	14,629,375	—	—	14,629,375
Cash and cash equivalents	2,074,170	—	—	2,074,170
Guaranteed investment contract	—	—	2,681,306	2,681,306
Hedge fund of funds	—	—	9,997,543	9,997,543
Total pension investment	<u>\$69,500,393</u>	<u>\$16,688,965</u>	<u>\$12,678,849</u>	<u>\$98,868,207</u>
2012				
Large cap equity securities	\$24,251,870	\$ —	\$ —	\$24,251,870
Small cap equity securities	4,922,225	—	—	4,922,225
International equity securities	7,714,103	—	—	7,714,103
Limited partnerships	—	7,012,830	—	7,012,830
Fixed income securities	18,760,928	—	—	18,760,928
Global asset allocation fund	12,579,792	—	—	12,579,792
Cash and cash equivalents	4,839,820	—	—	4,839,820
Guaranteed investment contract	—	—	2,882,884	2,882,884
Hedge fund of funds	—	—	7,425,000	7,425,000
Total pension investment	<u>\$73,068,738</u>	<u>\$7,012,830</u>	<u>\$10,307,884</u>	<u>\$90,389,452</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

12. Retirement Plans (Continued)

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

	<u>Guaranteed Investment Contract</u>	<u>Hedge Fund of Funds</u>	<u>Total Investments</u>
Fair value, July 1, 2012	\$2,882,884	\$7,425,000	\$ 10,307,884
Purchases	164,971	1,000,000	1,164,971
Sales	(366,549)	—	(366,549)
Net unrealized gains on investments	<u>—</u>	<u>1,572,543</u>	<u>1,572,543</u>
Fair value, July 1, 2013	<u>\$2,681,306</u>	<u>\$9,997,543</u>	<u>\$ 12,678,849</u>
Fair value, July 1, 2011	\$3,090,172	\$7,425,000	\$ 10,515,172
Purchases	178,355	—	178,355
Sales	<u>(385,643)</u>	<u>—</u>	<u>(385,643)</u>
Fair value, July 1, 2012	<u>\$2,882,884</u>	<u>\$7,425,000</u>	<u>\$ 10,307,884</u>

Contributions

Expected contributions to the plan in 2014 are approximately \$3,443,000.

Estimated Future Benefit Payments

Benefit payments are expected to be paid as follows

2014	\$ 5,292,000
2015	5,654,000
2016	6,073,000
2017	6,372,000
2018	6,820,000
2019 – 2022	40,070,000

Defined Contribution Plan

The Company sponsors a 403(b) defined contribution plan which covers substantially all employees of the Company. Under this plan, the Company makes a matching contribution of 50% of any employee's voluntary pretax contributions up to 4% of eligible compensation effective January 1, 2013. Prior to that date, the Company had matched 50% of any employee's voluntary pretax contributions up to 6% of eligible compensation.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

12. Retirement Plans (Continued)

The Company also sponsors a 401(a) defined contribution plan. The 401(a) plan is available to all employees who work 1,000 or more hours per year. Under this plan, the Company makes a core contribution equal to 2.0% of eligible compensation earned during the plan year. Prior to that date, the Company had made a core contribution equal to 2.5% of eligible compensation for all employees except for MGRNC and MGRC. In addition, the Company makes a supplemental contribution of up to a maximum 9% of eligible compensation to eligible participants that meet certain age and years of service requirements except MGRNC and MGRC.

The Company incurred approximately \$8,574,000 and \$9,351,000 of expenses in 2013 and 2012, respectively, for the 403(b) and 401(a) defined contribution plans.

Deferred Compensation Plan

The Company maintains a 457(b) deferred compensation plan which covers certain key employees of the Company. Under this plan, key employees may elect to supplement their retirement savings through the deferral of a portion of their compensation. This plan is maintained primarily for the purpose of providing deferred compensation for key employees under Section 201 of the Employee Retirement Income Security Act. The Company does not make any contributions to the plan and total assets at June 30, 2013 were approximately \$4,642,000.

13. Malpractice Insurance

The Company insures its medical malpractice risks on a claims-made basis. In accordance with ASU No. 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries*, at June 30, 2013 and 2012, the Company recorded a liability of \$7,253,000 and \$5,386,000, respectively, related to estimated professional liability losses relating to reported cases as well as potential incurred but not reported claims. The Company also recorded a receivable of \$1,437,000 and \$1,488,000 at June 30, 2013 and 2012, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. At June 30, 2013, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage.

On July 1, 2012, the Company formed Kennebec Risk, LLC, a wholly-owned captive insurance entity to set aside dedicated funding for professional and general liability losses for the Company's subsidiaries and employed physicians limited to \$2,000,000 for each incident and an annual aggregate of \$6,000,000. Claims exceeding the captive's limits are covered under a separate policy with a commercial insurance company carried by the Medical Center.

14. Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are patient accounts receivable, cash equivalents and investments. The Company invests its cash, cash equivalents and marketable securities in debt instruments and interest bearing accounts at major financial institutions in excess of insured limits. The Company mitigates credit risk by limiting the investment type and maturity to securities that preserve capital, maintain liquidity and have a high credit quality.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2013 and 2012

14. Concentration of Credit Risk

The Company grants credit without collateral to its patients, many of whom are local residents and are insured under third-party payor agreements. The Company's accounts receivable from patients and third-party payors, exclusive of estimated settlements, were as follows at June 30:

	<u>2013</u>	<u>2012</u>
Medicare and Medicaid	55%	57%
Managed care	9	8
Commercial insurance	15	13
Anthem	6	8
Patients	<u>15</u>	<u>14</u>
	<u>100%</u>	<u>100%</u>

15. Commitments and Contingencies

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

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

Operating Leases

The Company is committed under long-term operating leases for the rental of certain property. The leases expire at various dates through 2026. Property rental expenses for the years ended June 30, 2013 and 2012 were approximately \$5,449,000 and \$4,659,000, respectively. At June 30, 2013, the minimum commitments for property leases for the next five years are as follows:

2014	\$5,374,000
2015	4,598,000
2016	4,086,000
2017	3,794,000
2018	3,694,000

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2013 and 2012

18. Subsequent Events (Continued)

In September 2013, the Company received payment in the amount of \$47,000.000 from the State of Maine for amounts due under the MaineCare program. The payments represent settlements on interim cost reports and are estimates pending final settlement. (See Note 3.)

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

Board of Trustees
MaineGeneral Health and Subsidiaries

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



Portland, Maine
September 27, 2013

Limited Liability Company

MAINE GENERAL HEALTH AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET

June 30, 2013

ASSETS

	<u>MGH</u>	<u>MGMC</u>	<u>HRN</u>	<u>MGRNC</u>	<u>MGRC</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current assets:								
Cash and cash equivalents	\$ 6,293,625	\$ 10,174,352	\$ 509,608	\$ 937,284	\$ 1,023,480	\$ 18,938,349	\$ -	\$ 18,938,349
Investments	-	1,451,967	-	1,256,529	680,622	3,389,118	-	3,389,118
Patient accounts receivable, net	-	56,876,151	1,729,173	1,588,388	-	60,193,712	-	60,193,712
Amounts due from affiliates	5,221,342	240,471	17,697	55	-	5,479,565	(5,479,565)	-
Supplies	-	4,573,785	-	-	-	4,573,785	-	4,573,785
Pledges receivable, net	63	1,654,953	6,626	1,221	-	1,662,863	-	1,662,863
Prepaid expenses and other current assets	567,412	12,872,806	17,719	20,049	309,231	13,787,217	-	13,787,217
Estimated third-party payor settlements - due from State of Maine	-	38,000,000	-	-	-	38,000,000	-	38,000,000
Total current assets	12,082,442	125,844,485	2,280,823	3,803,526	2,013,333	146,024,609	(5,479,565)	140,545,044
Investments:								
Unrestricted	44,343	28,891,171	1,016,656	25,915	-	29,978,085	-	29,978,085
Assets whose use is limited or restricted								
Board-designated:								
Funded depreciation	-	-	-	1,859,318	-	1,859,318	-	1,859,318
New hospital	-	48,310,323	-	-	-	48,310,323	-	48,310,323
Other	5,898,744	7,783,392	-	15,945	-	13,698,081	-	13,698,081
Assets held in trust under debt and other agreements	-	45,590,699	-	1,903	655,818	46,248,420	-	46,248,420
Beneficial interest in perpetual trusts	-	10,471,988	-	-	-	10,471,988	-	10,471,988
Beneficially donor-restricted	533,456	4,220,047	88,219	1,103,954	-	5,945,676	-	5,945,676
Temporarily donor-restricted	201,796	23,927,192	58,869	201,633	308	24,389,798	-	24,389,798
Beneficial interest in workers' compensation trust	6,678,339	169,194,812	1,163,744	3,208,668	656,126	180,901,689	-	180,901,689
Total investments and assets whose use is limited or restricted	137,506	1,657,873	275,045	296,106	20,462	2,386,992	-	2,386,992
Pledges receivable, net of current portion	6,815,845	170,852,685	1,438,789	3,504,774	676,588	183,288,681	-	183,288,681
Property and equipment	-	3,770,321	-	-	-	3,770,321	-	3,770,321
Assets available for sale	184,599	371,232,805	383,544	4,345,024	18,397,684	394,543,656	-	394,543,656
Other assets, net	-	706,625	-	-	-	706,625	-	706,625
Total assets	-	8,799,969	43,893	34,017	87,064	8,964,943	-	8,964,943
	\$ 19,082,886	\$ 681,206,890	\$ 4,147,049	\$ 11,687,341	\$ 21,174,669	\$ 737,298,835	\$ (5,479,565)	\$ 731,819,270

LIABILITIES AND NET ASSETS

	<u>MGH</u>	<u>MGMC</u>	<u>HRN</u>	<u>MGRNC</u>	<u>MGRC</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current liabilities								
Accounts payable and accrued expenses	\$ 2,745,965	\$ 21,606,436	\$ 363,702	\$ 618,366	\$ 573,505	\$ 25,907,974	\$ —	\$ 25,907,974
Accrued employee compensation and compensated absences	3,376,346	20,762,066	1,423,059	866,275	99,188	26,526,934	—	26,526,934
Amounts due to affiliates	134,586	4,704,694	165,041	295,052	180,192	5,479,565	(5,479,565)	—
Estimated third-party payor settlements	—	9,044,570	274,306	405,137	—	9,724,013	—	9,724,013
Other current liabilities	2,748,625	18,137,705	627,412	228,588	503,470	22,245,800	—	22,245,800
Current portion of long-term debt	—	2,840,693	4,354	40,916	495,860	3,381,823	—	3,381,823
Total current liabilities	9,005,522	77,096,164	2,857,874	2,454,334	1,852,215	93,266,109	(5,479,565)	87,786,544
Long-term debt, less current portion	—	312,201,318	69,622	1,991,985	7,174,570	321,437,495	—	321,437,495
Accrued pension cost	2,032,473	24,599,527	—	—	—	26,632,000	—	26,632,000
Deferred refundable and nonrefundable advance fees	—	—	—	—	13,058,250	13,058,250	—	13,058,250
Other long-term liabilities	1,300,432	2,082,123	16,073	—	197,231	3,595,859	—	3,595,859
Total liabilities	12,338,427	415,979,132	2,943,569	4,446,319	22,282,266	457,989,713	(5,479,565)	452,510,148
Net assets (deficit)								
Unrestricted	6,009,144	221,183,257	1,049,766	5,934,214	(1,107,905)	233,068,476	—	233,068,476
Temporarily restricted	201,859	29,352,466	65,495	202,854	308	29,822,982	—	29,822,982
Permanently restricted	533,456	14,692,035	88,219	1,103,954	—	16,417,664	—	16,417,664
Total net assets (deficit)	6,744,459	265,227,758	1,203,480	7,241,022	(1,107,597)	279,309,122	—	279,309,122
Total liabilities and net assets	\$ 19,082,886	\$ 681,206,890	\$ 4,147,049	\$ 11,687,341	\$ 21,174,669	\$ 737,298,835	\$ (5,479,565)	\$ 731,819,270

MAINEGENERAL HEALTH AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2013

	<u>MGH</u>	<u>MGMC</u>	<u>HRN</u>	<u>MGRNC</u>	<u>MGRC</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating revenue								
Net patient service revenue	\$	\$ 355,139,686	\$ 17,625,233	\$ 19,259,194	\$	\$ 392,024,113	\$	\$ 392,024,113
Other revenue	12,334,138	23,107,248	2,623,333	812,052	4,421,084	43,297,855	(12,655,455)	30,642,400
Net assets released from restrictions used for operations	45,844	454,823	6,699	83,183	—	590,549	—	590,549
Total operating revenue	12,379,982	378,701,757	20,255,265	20,154,429	4,421,084	435,912,517	(12,655,455)	423,257,062
Operating expenses.								
Salaries and wages	7,535,252	166,176,017	12,591,802	9,504,043	1,168,634	196,975,748	—	196,975,748
Employee benefits	1,891,857	37,970,708	3,220,257	2,653,388	310,395	46,046,605	—	46,046,605
Supplies and other	2,781,756	147,890,035	4,767,798	6,462,716	1,908,473	163,810,778	(12,589,428)	151,221,350
Depreciation and amortization	93,195	14,801,180	126,909	692,368	1,133,726	16,847,378	—	16,847,378
Interest	77,922	1,124,746	321	109,513	345,997	1,658,499	(66,027)	1,592,472
Total operating expenses	12,379,982	367,962,686	20,707,087	19,422,028	4,867,225	425,339,008	(12,655,455)	412,683,553
Income (loss) from operations	—	10,739,071	(451,822)	732,401	(446,141)	10,573,509	—	10,573,509
Nonoperating gains (losses)								
Investment income	61,556	1,266,622	16,441	22,589	—	1,367,208	—	1,367,208
Realized gains on investments, net	359,736	2,158,219	95,348	139,825	10,751	2,763,879	—	2,763,879
Gain on disposal of property and equipment, net	—	649,018	16,611	(1,511)	—	664,118	—	664,118
Contributions	217	365,957	14,000	—	—	380,174	—	380,174
Loss on refinancing of debt	—	—	—	(6,555)	—	(6,555)	—	(6,555)
Total nonoperating gains (losses), net	421,509	4,439,816	142,400	154,348	10,751	5,168,824	—	5,168,824
Excess (deficiency) of revenue over expenses	421,509	15,178,887	(309,422)	886,749	(435,390)	15,742,333	—	15,742,333
Change in net unrealized gains (losses) on investments	274,753	1,178,890	55,270	28,906	(22,854)	1,514,965	—	1,514,965
Pension-related changes other than net periodic pension cost	872,097	11,144,713	—	—	—	12,016,810	—	12,016,810
Net assets released from restrictions used for capital acquisitions	—	12,774,871	32,246	—	—	12,807,117	—	12,807,117
Increase (decrease) in unrestricted net assets	\$ 1,568,359	\$ 40,277,361	\$ (221,906)	\$ 915,655	\$ (458,244)	\$ 42,081,225	\$	\$ 42,081,225

MAINEGENERAL HEALTH AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET

June 30, 2012

ASSETS

	<u>MGH</u>	<u>MGMC</u>	<u>HRN</u>	<u>MGRNC</u>	<u>MGRC</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current assets.								
Cash and cash equivalents	\$ 2,909,229	\$ 14,474,268	\$ 367,527	\$ 834,641	\$ 1,007,270	\$ 19,592,935	\$ -	\$ 19,592,935
Investments	-	1,328,683	-	682,165	632,447	2,643,295	-	2,643,295
Patient accounts receivable, net	-	37,884,779	2,124,130	1,560,197	-	41,569,106	-	41,569,106
Amounts due from affiliates	5,745,053	628,842	15,718	150	2,901	6,392,664	(6,392,664)	-
Supplies	-	4,005,167	-	-	-	4,005,167	-	4,005,167
Pledges receivable, net	439	9,546,219	7,716	1,081	-	9,555,455	-	9,555,455
Prepaid expenses and other current assets	1,015,759	7,568,685	38,088	77,408	398,489	9,098,429	(643,757)	8,454,672
Total current assets	9,670,480	75,436,643	2,553,179	3,155,642	2,041,107	92,857,051	(7,036,421)	85,820,630
Investments.								
Unrestricted	3,460	27,579,346	1,303,965	16,013	3,172	28,905,956	-	28,905,956
Assets whose use is limited or restricted								
Board-designated-								
Funded depreciation	-	-	-	1,637,535	-	1,637,535	-	1,637,535
New hospital	-	47,313,334	-	-	-	47,313,334	-	47,313,334
Other	5,369,821	6,785,692	-	14,043	-	12,169,556	-	12,169,556
Assets held in trust under debt agreements	-	210,412,776	-	630,184	644,236	211,687,196	-	211,687,196
Beneficial interest in perpetual trusts	-	9,951,744	-	-	-	9,951,744	-	9,951,744
Permanently donor-restricted	531,888	4,204,801	85,389	1,084,176	-	5,906,254	-	5,906,254
Temporarily donor-restricted	164,963	15,344,589	85,132	125,559	-	15,720,243	-	15,720,243
Beneficial interest in workers' compensation trust	6,070,132	321,592,282	1,474,486	3,507,510	647,408	333,291,818	-	333,291,818
Total investments and assets whose use is limited or restricted	130,462	1,520,650	246,585	274,610	17,183	2,189,490	-	2,189,490
Pledges receivable, net of current portion	6,200,594	323,112,932	1,721,071	3,782,120	664,591	335,481,308	-	335,481,308
Estimated third-party payor settlements - due from State of Maine	-	11,418,315	-	-	-	11,418,315	-	11,418,315
Property and equipment	-	38,000,000	-	-	-	38,000,000	-	38,000,000
Assets available for sale	277,795	209,251,015	506,330	4,625,470	19,366,146	234,026,756	-	234,026,756
Other assets, net	268,230	8,245,446	47,224	57,137	93,983	8,712,020	(268,230)	8,443,790
Total assets	\$ 16,417,099	\$ 668,512,352	\$ 4,827,804	\$ 11,620,369	\$ 22,165,827	\$ 723,543,451	\$ (7,304,651)	\$ 716,238,800

LIABILITIES AND NET ASSETS

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