



# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

# 2013

Open to Public Inspection

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

For the 2013 calendar year, or tax year beginning **JUL 1, 2013** and ending **JUN 30, 2014**

**B** Check if applicable:

- Address change
- Name change
- Initial return
- Termination
- Amended return
- Application pending

**C** Name of organization: **York Hospital**

**D** Employer identification number: **01-0212444**

Doing Business As: \_\_\_\_\_

Number and street (or P.O. box if mail is not delivered to street address) Room/suite: **15 Hospital Drive**

City or town, state or province, country, and ZIP or foreign postal code: **York, ME 03909**

**F** Name and address of principal officer: **Jud Knox**  
same as C above

**E** Telephone number: **(207) 363-4321**

**G** Gross receipts \$: **180,905,721.**

**H(a)** Is this a group return for subordinates?  Yes  No

**H(b)** Are all subordinates included?  Yes  No

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

**H(c)** Group exemption number: \_\_\_\_\_

**I** Tax-exempt status:  501(c)(3)  501(c) ( ) (insert no.)  4947(a)(1) or  527

**J** Website: **www.yorkhospital.com**

**K** Form of organization:  Corporation  Trust  Association  Other

**L** Year of formation: **1904** **M** State of legal domicile: **ME**

### Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities:	<b>Community Hospital</b>	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	25
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	18
	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	1308
	6	Total number of volunteers (estimate if necessary)	6	182
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	3,347,247.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	11,394.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	1,682,672.	1,073,759.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	158,731,989.	155,255,952.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8o, 9o, 10o, and 11e)	1,380,275.	3,454,296.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	90,005.	149,319.
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	161,884,941.	159,933,326.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	44,317.	27,573.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	90,772,212.	86,991,716.
	16b	Total fundraising expenses (Part IX, column (D), line 25)	0.	0.
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	410,551.	
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	70,700,895.	72,168,205.
Expenses	19	Revenue less expenses. Subtract line 18 from line 12	161,517,424.	159,187,494.
	20	Total assets (Part X, line 16)	367,517.	745,832.
	21	Total liabilities (Part X, line 26)	72,731,176.	78,473,071.
	22	Net assets or fund balances. Subtract line 21 from line 20	Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	115,747,461.	119,765,021.
	21	Total liabilities (Part X, line 26)	43,016,285.	41,291,950.
	22	Net assets or fund balances. Subtract line 21 from line 20	72,731,176.	78,473,071.

### Part III Signature Block

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

**Sign Here**

Signature of officer: *[Signature]* Date: **5/13/13**

Type or print name and title: **Robin Labonte, CFO**

**Paid** Print/Type preparer's name: **Nicholas E. Porto** Preparer's signature: *[Signature]* Date: **05/12/13** Check  self-employed PTIN: **P01310283**

**Preparer Use Only** Firm's name: **Baker Newman & Noyes** Firm's EIN: **01-0494526**

Firm's address: **P.O. Box 507** Phone no.: **(207) 879-2100**

**Portland, ME 04112**

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:
Community Hospital

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

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

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

4a (Code: ) (Expenses \$ 148,537,479. Including grants of \$ 27,573.) (Revenue \$ 151,965,012.)
York Hospital is a not-for-profit health care center established to provide health care services to the York county area. It offers both inpatient and outpatient acute services and has 79 licensed acute beds. The Hospital has outpatient facilities in Wells, Kittery, Berwick, North Berwick, and South Berwick.

York Hospital is committed to providing exceptional care to patients and their families. All efforts must be thoughtful, kind, and loving. York Hospital is dedicated to creating and nurturing a fabric of compassionate relationships among physicians, caregivers, patients, and families to offer sensitive, understandable, high-quality medical care experiences.

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

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

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

4e Total program service expenses 148,537,479.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	

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

	Yes	No
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
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 25a	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
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?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
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		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
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	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
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		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Main form area containing questions 1a through 14b with input fields and Yes/No columns.

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

Check if Schedule O contains a response or note to any line in this Part VI  X

**Section A. Governing Body and Management**

	1a	1b	2	3	4	5	6	7a	7b	8a	8b	9
1a Enter the number of voting members of the governing body at the end of the tax year	25											
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.												
b Enter the number of voting members included in line 1a, above, who are independent		18										
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?										X		
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?											X	
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?											X	
5 Did the organization become aware during the year of a significant diversion of the organization's assets?											X	
6 Did the organization have members or stockholders?											X	
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?											X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?											X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:												
a The governing body?										X		
b Each committee with authority to act on behalf of the governing body?										X		
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												X

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

	10a	10b	11a	11b	12a	12b	12c	13	14	15a	15b	16a	16b
10a Did the organization have local chapters, branches, or affiliates?													X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?													
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?													X
b 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										X			
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?										X			
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done										X			
13 Did the organization have a written whistleblower policy?													X
14 Did the organization have a written document retention and destruction policy?													X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?													
a The organization's CEO, Executive Director, or top management official										X			
b Other officers or key employees of the organization										X			
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?													X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?													

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **None**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **Robin LaBonte, CFO - (207) 363-4321**  
**15 Hospital Drive, York, ME 03909**

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

Check if Schedule O contains a response or note to any line in this Part VII

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
  - List the organization's **five current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Todd Adams, MD Trustee/Physician	40.00	X					267,596.	0.	13,959.	
(2) J. Thomas Albright, MD Trustee/Orthopedic Surgeon	40.00	X					372,229.	0.	29,805.	
(3) Richard Brown Trustee	1.00	X					0.	0.	0.	
(4) Wendy Cote Trustee	1.00	X					0.	0.	0.	
(5) Danal Epstein Trustee	1.00	X					0.	0.	0.	
(6) Ken Fellows, MD Trustee	1.00	X					0.	0.	0.	
(7) Robert Foley Trustee	1.00	X					0.	0.	0.	
(8) William Foster Trustee (part year)	1.00	X					0.	0.	0.	
(9) James Gilroy, MD, FACP Trustee/Physician	40.00	X					252,191.	0.	13,165.	
(10) Joan Goodrich Trustee	1.00	X					0.	0.	0.	
(11) Doug Gray, DDS Trustee (part year)	1.00	X					0.	0.	0.	
(12) Connie Hanley, PhD Trustee	1.00	X					0.	0.	0.	
(13) Madeline Hayes Trustee	1.00	X					0.	0.	0.	
(14) Cynthia Hosmer Trustee	1.00	X					0.	0.	0.	
(15) Chris Kehl Trustee	1.00	X					0.	0.	0.	
(16) Jeffrey Lockhart, MD Trustee/Anesthesiologist	40.00	X					558,400.	0.	29,426.	
(17) Jane May, RN Trustee/RN	40.00	X					102,120.	0.	24,423.	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below 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			
(18) Michael O'Keefe Trustee	1.00	X						0.	0.	0.
(19) Deborah Pease Trustee	1.00	X						0.	0.	0.
(20) Lawrence Petrovich, MD Trustee/Cardiologist	40.00	X						534,296.	0.	21,055.
(21) Suzi Raeside Trustee	1.00	X						0.	0.	0.
(22) Brett Rankin, MD Trustee	1.00	X						0.	0.	0.
(23) Ala Reid Trustee	1.00	X						0.	0.	0.
(24) Oscar Stone Trustee (part year)	1.00	X						0.	0.	0.
(25) Douglas Bracy Trustee/Chairman	1.00	X		X				0.	0.	0.
(26) Lorraine Boston Trustee/Vice Chairman	1.00	X		X				0.	0.	0.
<b>1b Sub-total</b>								2,086,832.	0.	131,833.
<b>c Total from continuation sheets to Part VII, Section A</b>								3,301,037.	0.	316,960.
<b>d Total (add lines 1b and 1c)</b>								5,387,869.	0.	448,793.

**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 **118**

	Yes	No
<b>3</b> Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
<b>4</b> 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? If "Yes," complete Schedule J for such individual	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
Medefis P.O. Box 5068, New York, NY 10275	Locum Physician Services	666,382.
Quest Diagnostic, 12436 Collection Center Drive, Chicago, IL 60693	Contract Laboratory Services	642,396.
Seacoast Pathology, Inc. P.O. Box 100519, Atlanta, GA 30384	Contract Pathology Services	543,047.
Southcoast Radiology 18 Northwood Drive, Kennebunkport, ME 04046	Radiology Services	410,834.
Balanced Healthcare Receivables, 164 Burke Street, 2nd Floor, Nashua, NH 03060	Collection Services	403,115.

**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 **29**

See Part VII, Section A Continuation sheets





**Part VIII** Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants, and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b> 13,900.					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b> 125,705.					
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b> 145,808.					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b> 788,346.					
	<b>g</b> Noncash contributions included in lines 1a-1f \$	21,149.					
	<b>h</b> Total. Add lines 1a-1f		1,073,759.				
<b>Program Service Revenue</b>	<b>2 a</b> Patient Services	Business Code 621400	116,450,946.	116,450,946.			
	<b>b</b> Lab	621500	28,987,534.	28,728,646.	258,888.		
	<b>c</b> Pharmacy	446110	6,851,513.	3,763,154.	3,088,359.		
	<b>d</b> Miscellaneous Program Services	621400	2,176,960.	2,176,960.			
	<b>e</b> Cafeteria	722210	573,555.	573,555.			
	<b>f</b> All other program service revenue	621400	215,444.	215,444.			
	<b>g</b> Total. Add lines 2a-2f		155,255,952.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		321,121.			321,121.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	(i) Real	56,307.				
		(ii) Personal	0.				
		<b>b</b> Less: rental expenses					
		<b>c</b> Rental income or (loss)	56,307.				
	<b>d</b> Net rental income or (loss)		56,307.	56,307.			
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	24,029,379.				
		(ii) Other	10,036.				
		<b>b</b> Less: cost or other basis and sales expenses	20,899,496.				
		<b>c</b> Gain or (loss)	3,129,883.				
	<b>d</b> Net gain or (loss)		3,133,175.			3,133,175.	
	<b>8 a</b> Gross income from fundraising events (not including \$ 125,705. of contributions reported on line 1c). See Part IV, line 18	<b>a</b>	146,290.				
		<b>b</b> Less: direct expenses	57,342.				
<b>c</b> Net income or (loss) from fundraising events			88,948.			88,948.	
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>	12,877.					
	<b>b</b> Less: direct expenses	8,813.					
	<b>c</b> Net income or (loss) from gaming activities		4,064.			4,064.	
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>						
	<b>b</b> Less: cost of goods sold						
	<b>c</b> Net income or (loss) from sales of inventory						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b>	<b>a</b>						
	<b>b</b>						
	<b>c</b>						
	<b>d</b> All other revenue						
<b>e</b> Total. Add lines 11a-11d							
<b>12</b> Total revenue. See instructions.			159,933,326.	151,965,012.	3,347,247.	3,547,308.	

**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 or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	27,573.	27,573.		
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	3,409,468.	3,227,660.	181,808.	
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	66,573,749.	63,734,418.	2,783,641.	55,690.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,245,814.	2,174,299.	69,556.	1,959.
9 Other employee benefits	10,320,622.	9,880,150.	432,081.	8,391.
10 Payroll taxes	4,442,063.	4,251,942.	186,567.	3,554.
11 Fees for services (non-employees):				
a Management				
b Legal	390,967.		390,967.	
c Accounting	124,897.	49,959.	74,938.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	158,297.		158,297.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	13,150,821.	11,178,198.	1,972,623.	
12 Advertising and promotion	344,304.	327,089.	13,772.	3,443.
13 Office expenses	33,451,871.	31,779,283.	1,338,069.	334,519.
14 Information technology				
15 Royalties				
16 Occupancy	5,558,204.	4,724,473.	833,731.	
17 Travel	299,513.	284,537.	11,981.	2,995.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	87,511.	74,384.	13,127.	
20 Interest	890,935.	757,295.	133,640.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,638,105.	3,942,389.	695,716.	
23 Insurance	1,624,300.	675,350.	948,950.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24a. If line 24a amount exceeds 10% of line 25, column (A) amount, list line 24a expenses on Schedule O.)				
a Provision for bad debt	7,509,170.	7,509,170.		
b Healthcare provider tax	3,857,440.	3,857,440.		
c				
d				
e All other expenses	81,870.	81,870.		
<b>25 Total functional expenses. Add lines 1 through 24e</b>	<b>159,187,494.</b>	<b>148,537,479.</b>	<b>10,239,464.</b>	<b>410,551.</b>
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  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	<b>1</b> Cash - non-interest-bearing .....	223,928.	1	1,203,573.
	<b>2</b> Savings and temporary cash investments .....	2,042,903.	2	5,135,778.
	<b>3</b> Pledges and grants receivable, net .....	163,409.	3	84,873.
	<b>4</b> Accounts receivable, net .....	22,816,269.	4	22,254,601.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5	
	<b>6</b> 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 Instr). Complete Part II of Sch L .....		6	
	<b>7</b> Notes and loans receivable, net .....		7	
	<b>8</b> Inventories for sale or use .....	3,408,904.	8	3,434,214.
	<b>9</b> Prepaid expenses and deferred charges .....	1,150,659.	9	1,184,975.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 117,138,250.		
	<b>b</b> Less: accumulated depreciation .....	10b 69,180,598.		
		48,237,840.	10c	47,957,652.
	<b>11</b> Investments - publicly traded securities .....	27,818,204.	11	30,668,887.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	7,531,147.	12	7,580,372.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		13	
	<b>14</b> Intangible assets .....	178,494.	14	152,024.
<b>15</b> Other assets. See Part IV, line 11 .....	2,175,704.	15	108,072.	
<b>16</b> Total assets. Add lines 1 through 15 (must equal line 34) .....	115,747,461.	16	119,765,021.	
Liabilities	<b>17</b> Accounts payable and accrued expenses .....	14,242,462.	17	15,801,289.
	<b>18</b> Grants payable .....		18	
	<b>19</b> Deferred revenue .....		19	
	<b>20</b> Tax-exempt bond liabilities .....	15,122,885.	20	13,709,599.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		21	
	<b>22</b> 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	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	5,188,044.	23	4,958,276.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		24	
	<b>25</b> 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 .....	8,462,894.	25	6,822,786.
	<b>26</b> Total liabilities. Add lines 17 through 25 .....	43,016,285.	26	41,291,950.
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.			
	<b>27</b> Unrestricted net assets .....	63,343,791.	27	67,576,596.
	<b>28</b> Temporarily restricted net assets .....	6,507,861.	28	7,621,004.
	<b>29</b> Permanently restricted net assets .....	2,879,524.	29	3,275,471.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	<b>30</b> Capital stock or trust principal, or current funds .....		30	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		31	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		32	
<b>33</b> Total net assets or fund balances .....	72,731,176.	33	78,473,071.	
<b>34</b> Total liabilities and net assets/fund balances .....	115,747,461.	34	119,765,021.	

Form 990 (2013)

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	159,933,326.
2	Total expenses (must equal Part IX, column (A), line 25)	2	159,187,494.
3	Revenue less expenses. Subtract line 2 from line 1	3	745,832.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	72,731,176.
5	Net unrealized gains (losses) on investments	5	4,996,063.
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	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	78,473,071.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line 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?		X
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			
2b	Were the organization's financial statements audited by an independent accountant?	X	
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 checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
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?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
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		

Form 990 (2013)



**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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

- 14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) 14 \_\_\_\_\_ %
- 15 Public support percentage from 2012 Schedule A, Part II, line 14 15 \_\_\_\_\_ %
- 16a 33 1/3% support test - 2013. 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 - 2012. 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 - 2013. 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 - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization
- 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2013. 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 - 2012. 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





**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and  
its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Name of the organization

York Hospital

Employer identification number

01-0212444

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the General Rule applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Name of organization

Employer identification number

York Hospital

01-0212444

**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2		\$ 26,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3		\$ 12,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4		\$ 8,010.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6		\$ 40,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

York Hospital

01-0212444

**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8		\$ 13,900.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9		\$ 8,833.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10		\$ 18,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11		\$ 21,149.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
12		\$ 105,809.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

York Hospital

01-0212444

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13		\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
14		\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
15		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
16		\$ 13,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
17		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
18		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

**York Hospital**

**01-0212444**

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19		\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
20		\$ 225,688.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

York Hospital

01-0212444

**Part II Noncash Property** (see Instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see Instructions)	(d) Date received
11	Publicly Traded Securities	\$ 21,149.	12/09/13
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

York Hospital

01-0212444

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee



**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. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

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 organization **York Hospital** Employer identification number **01-0212444**

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

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

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ..... ▶ \$ \_\_\_\_\_
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ..... ▶ \$ \_\_\_\_\_
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  Yes  No
- 4a Was a correction made?  Yes  No

b If "Yes," describe in Part IV.

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

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2013

**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 border="1"> <thead> <tr> <th>If the amount on line 1a, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1a.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1a, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1a.	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 1a, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1a.														
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? .....															

Yes  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) 2010	(b) 2011	(c) 2012	(d) 2013	(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					

Schedule C (Form 990 or 990-EZ) 2013

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

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

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?		X	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
<b>c</b> Media advertisements?		X	
<b>d</b> Mailings to members, legislators, or the public?		X	
<b>e</b> Publications, or published or broadcast statements?		X	
<b>f</b> Grants to other organizations for lobbying purposes?		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?	X		13,386.
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
<b>i</b> Other activities?		X	
<b>j</b> Total. Add lines 1a through 1i			13,386.
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 601(c)(3)?		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

**Part IV: Supplemental Information**

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.

**Part II-B, Line 1, Lobbying Activities:**

Maine Hospital Association dues and American Hospital

Association dues totaled \$67,212 of which \$13,386 was available for lobbying.

**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.

▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No. 1545-0047

**2013**

Open to Public Inspection

Name of the organization

York Hospital

Employer identification number

01-0212444

**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? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
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? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
- 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 Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_
- Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_
- Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....
- Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_
- Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_
- Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....
- 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.

- 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.
- 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 .....	▶ \$ _____
- 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 .....	▶ \$ _____

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	9,387,385.	8,569,801.	9,160,794.	8,484,005.	7,846,127.
b Contributions	326,240.	669,672.	492,633.	740,532.	1,098,494.
c Net investment earnings, gains, and losses	1,607,261.	1,078,525.	42,178.	1,320,739.	625,885.
d Grants or scholarships					
e Other expenditures for facilities and programs	424,411.	930,613.	1,125,804.	1,384,482.	1,086,501.
f Administrative expenses					
g End of year balance	10,896,475.	9,387,385.	8,569,801.	9,160,794.	8,484,005.

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

- a Board designated or quasi-endowment  .00 %
- b Permanent endowment  30.06 %
- c Temporarily restricted endowment  69.94 %

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

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

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

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

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. 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		3,904,522.		3,904,522.
b Buildings		61,737,410.	26,973,762.	34,763,648.
c Leasehold Improvements		3,504,549.	3,191,349.	313,200.
d Equipment		46,596,340.	39,015,487.	7,580,853.
e Other		1,395,429.		1,395,429.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				47,957,652.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) Other Investments	408,134.	End-of-Year Market Value
(B) Alternative Investments	7,172,238.	End-of-Year Market Value
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)</b>	<b>7,580,372.</b>	

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)</b>		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)</b>	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Assets Held on Behalf of 3rd Party	1,077,556.
(3) Pension Obligation	5,673,108.
(4) Estimated 3rd-Party Payor	
(5) Settlements	72,122.
(6)	
(7)	
(8)	
(9)	
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)</b>	<b>6,822,786.</b>

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	164,837,247.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a	4,996,063.	
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d	66,155.	
e	Add lines 2a through 2d			5,062,218.
3	Subtract line 2e from line 1		2e	159,775,029.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		3	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	158,297.	
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b			158,297.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		4c	159,933,326.

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	159,095,352.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d	66,155.	
e	Add lines 2a through 2d			66,155.
3	Subtract line 2e from line 1		2e	159,029,197.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		3	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	158,297.	
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b			158,297.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		4c	159,187,494.

**Part XIII Supplemental Information.**

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.

Part V, line 4:

**Temporarily Restricted Funds**

Biewend (12/82)- Principal and income restricted for purchase of new equipment and the acquisition of land and buildings other than an addition to the present hospital buildings.

Page (1945) - To be used for support and maintenance of district visiting nurses.

Palmer/Perkins Nursing Scholarship - See Perm Restricted for description.

Rose Voignier Scholarship - Fund to remain in endowment until the value is \$100,000, at that time the funds are to be used to provide training and instruction for staff at York Hospital, as well as health care training

**Part XIII** Supplemental Information (continued)

for the public.

Baldwin Fund for Nursing Excellence - Financial support for nurses who need to be re-certified and current in their health care skills, including advanced training or change of focus. Scholarships for support staff, who are interested in entering the field of nursing. Financial assistance to help defray the costs of ongoing orientation, classroom instruction and clinical training of new York Hospital nurses. To help defray the costs associated with the York Hospital's Summer Intern program for young nursing students who are currently enrolled in a nursing school.

Winkler Fund - Funds to be used for Nursing Education.

Rose Voignier Education Fund - Funds to be used for staff education.

**Permanently Restricted Funds**

Elizabeth B. Perkins - Principal to remain in perpetuity, the income for the care of patients who are unable to pay for proper treatment.

Gerrity - 80% of income is unrestricted. 20% is to be reinvested as Principal

YH Memorial Fund - Principal to be kept intact and the income to be used at the board discretion

Cowey - Income and gains to be used for pediatrics (Corpus only to be kept intact)

Forrinstall - To be used for SNF (Corpus only to be kept intact)

Mason - To be used for free work provided to patients who cannot afford to pay (Corpus only to be kept intact)

Brewster - Income and gains to be used for any form of diabetes research and care (Corpus only to be kept intact).

Palmer/Perkins Endowment - Principal to be kept intact and the income to



**Part XIII** Supplemental Information (continued)

be used for nursing education for the staff.

Hospice - Principal to be reinvested and the income to be used to offset expenses of the Hospice.

Sidelinger - (6/88) Principal to be kept intact and the income to be used for general purposes of the support, upkeep and maintenance of the hospital as determined by the Board.

Oncology Fund - Income to be used for support programs for patients, their families and caregivers.

Part X, Line 2:

The Hospital is a not-for-profit corporation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

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 Hospital has evaluated the position taken on its filed tax returns. The Hospital has concluded no uncertain income tax positions exist at June 30, 2014. The Hospital's tax years from 2011 through 2014 are open and subject to examination.

Part XI, Line 2d - Other Adjustments:

Part XIII Supplemental Information (continued)

Special events expenses 66,155.

Part XII, Line 2d - Other Adjustments:

Special events expenses 66,155.



**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 (add col. (a) through col. (c))	
		Breast Cancer Living Well Event (event type)	Golf Tournament (event type)	3 (total number)		
Revenue	1	Gross receipts	159,013.	49,768.	63,214.	271,995.
	2	Less: Contributions	43,200.	33,900.	48,605.	125,705.
	3	Gross income (line 1 minus line 2)	115,813.	15,868.	14,609.	146,290.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes		2,890.	11,233.	14,123.
	6	Rent/facility costs		6,104.	550.	6,654.
	7	Food and beverages	14,993.	5,601.	1,773.	22,367.
	8	Entertainment			250.	250.
	9	Other direct expenses	8,021.	2,170.	3,757.	13,948.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				57,342.
	11	Net income summary. Subtract line 10 from line 3, column (d)				88,948.

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

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1	Gross revenue			
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
	7	Direct expense summary. Add lines 2 through 5 in column (d)			
	8	Net gaming income summary. Subtract line 7 from line 1, column (d)			

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_  
 a Is the organization licensed to operate gaming activities in each of these states?  Yes  No  
 b If "No," explain: \_\_\_\_\_  
 \_\_\_\_\_  
 10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No  
 b If "Yes," explain: \_\_\_\_\_  
 \_\_\_\_\_

- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13 Indicate the percentage of gaming activity operated in:
 

	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
a The organization's facility			
b An outside facility			
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

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 ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

Director/officer       Employee       Independent contractor

17 Mandatory distributions:

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

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

**Part IV** Supplemental Information. Provide the explanations required by Part I, line 2b, columns (ii) 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).

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2013**

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule H (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Open to Public Inspection

Name of the organization

York Hospital

Employer identification number  
01-0212444

**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	X	
b If "Yes," was it a written policy? 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.	X	
2 <input 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 free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
b Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		X
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"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
5c		
6a Did the organization prepare a community benefit report during the tax year?		X
b If "Yes," did the organization make it available to the public?		
6b		

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

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)	1	1,642	3,629,483.		3,629,483.	2.39%
b Medicaid (from Worksheet 3, column a)	1	5,655	13,441,631.	8,826,693.	4,614,938.	3.04%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	2	7,297	17,071,114.	8,826,693.	8,244,421.	5.43%
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4)			285,267.	11,192.	274,075.	.18%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			49,507,590.	20,083,492.	29,424,098.	19.40%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total Other Benefits			49,792,857.	20,094,684.	29,698,173.	19.58%
k Total. Add lines 7d and 7j	2	7,297	66,863,971.	28,921,377.	37,942,594.	25.01%







**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

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

Name of hospital facility or facility reporting group York Hospital

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		Yes	No
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): 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 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 checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input checked="" type="checkbox"/> Other (describe in Section C)	X	
2	Indicate the tax year the hospital facility last conducted a CHNA: <u>20 12</u>		
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
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): a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>http://www.yorkhospital.com/990.aspx</u> b <input type="checkbox"/> Other website (list url): c <input checked="" type="checkbox"/> Available upon request from the hospital facility d <input type="checkbox"/> Other (describe in Section C)		X
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year): 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 checked="" type="checkbox"/> Participation in the development of a community-wide plan d <input checked="" 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 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 Section C)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs		X
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)?		X
8b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
8c	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) **York Hospital**

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: <u>200</u> %		
	If "No," explain in Section C the criteria the hospital facility used.		
11	Used FPG to determine eligibility for providing discounted care?		X
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _____ %		
	If "No," explain in Section C the criteria the hospital facility used.		
12	Explained the basis for calculating amounts charged to patients?	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):		
a	<input checked="" type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical Indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> Other (describe in Section C)		
13	Explained the method for applying for financial assistance?	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input checked="" type="checkbox"/> Other (describe in Section C)		

**Billing and Collections**

15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		
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 individual's eligibility under the facility's FAP?		X
	If "Yes," check all actions in which the hospital facility or a third party engaged:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

**Part V Facility Information** (continued) **York Hospital**

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

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

**Policy Relating to Emergency Medical Care**

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

	Yes	No
<b>19</b>	<b>X</b>	

If "No," indicate why:

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

**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  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d  Other (describe in Section C)

<b>20</b>		
<b>21</b>		<b>X</b>
<b>22</b>		<b>X</b>

21 During the tax year, did the hospital facility charge any FAP-eligible individual 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 Section C.

22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C.

**Part V. Facility Information** (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

York Hospital:

Part V, Section B, Line 1j: A shared vision of a healthy Southern York County; socio-economic characteristics by town, and a community themes and strengths assessment.

York Hospital:

Part V, Section B, Line 3: Between March and June 2013, York Hospital undertook a community health needs assessment (CHNA) to identify the health needs of those living in the Hospital's entire service area. The Hospital worked together with Choose To Be Healthy (CTBH), a community health coalition with a membership purposefully comprised of those representing diverse community sectors, such as education, health care, business, municipalities, law enforcement, etc. A task force of community members representative of the service area led and formed the assessment. Care was taken to include task force members who represent those populations within the service area with poorer health outcomes, including low-income families, the elderly, and the mentally ill. The task force met monthly, or more frequently, to oversee every facet of conducting the CHNA. Organizations and group members consulted include:

- York Hospital's Leader for Emergency Care
- Counseling Services, Inc. and Choose to Be Healthy Coalition
- York community members
- York Hospital Trustees
- York community activist and local writer
- Public Health Foundation

**Part V** Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

-Eliot community member

-York County Community Action Corporation, Inc.

-Southern Maine Area Agency on Aging

York Hospital:

Part V, Section B, Line 7: Although identified as a need, the issue of childhood obesity was not chosen as an objective to address by the Hospital. This issue is currently being addressed by the York District Public Health Council's Obesity Prevention Committee which is funded with a federal community transformation grant. Also, although identified as a need, the issue of adolescent alcohol and drug abuse was not chosen as an objective to address as this issue is being addressed by the Choose to Be Healthy Coalition's drug free community grant activities. The Hospital supports and closely collaborates with both the community transformation grant and the drug free community grant activities with staff time and other hospital resources.

York Hospital:

Part V, Section B, Line 11: For FY 2014, the Hospital offered an 18% discount to self-pay patients and a HELP Financial Assistance Program offered to patients that had no insurance or were underinsured. Reduction of their hospital bills was based on household income and the amount owed.

York Hospital:

332097 10-03-13

**Part V** Facility Information *(continued)*

Section C. Supplemental information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Part V, Section B, Line 14g: The patients' billing statement lists the phone number and website address to use for more information regarding the Financial Assistance Program.

York Hospital:

Part V, Section B, Line 20d: The Hospital provides services at no charge to patients who are eligible under the financial aid policy.

**Part V** Facility Information *(continued)*

**Section D. 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? 8

Name and address	Type of Facility (describe)
1 York Hospital at Long Sands 127 Long Sands Road York, ME 03909	General Medical & Surgical
2 Wells Medical Services 112-114 Sanford Road Wells, ME 04090	General Medical & Surgical
3 South Berwick Medical Services 57 Portland Street South Berwick, ME 03908	General Medical & Surgical
4 Berwick Medical Services 4 Dana Drive Berwick, ME 03901	General Medical & Surgical
5 Kittery Medical Services 75 U.S. Route 1 Kittery, ME 03904	General Medical & Surgical
6 York Outpatient Physical Therapy 16 Long Sands Road York, ME 03909	General Medical & Surgical
7 Kittery Medical Services 35 Walker Street Kittery, ME 03904	General Medical & Surgical
8 North Berwick Medical Services 23 Wells Street North Berwick, ME 03906	General Medical & Surgical

Schedule H (Form 990) 2013

**Part VI** Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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.

Part I, Line 3c:

For FY 2014, the Hospital offered an 18% discount to self-pay patients and a HELP Financial Assistance Program offered to patients that had no insurance or were underinsured. Reduction of their hospital bills was based on household income and the amount owed.

Part I, Line 7:

York Hospital has several hospital clinical services and hospital-owned physician practices. Per instructions for IRS Form 990, Schedule H, Worksheet 6, organizations may include any applicable physician practice that the Hospital subsidizes (i.e., operates at a loss) in the completing of Schedule H. Therefore, the Hospital has included the following hospital clinical services and hospital-owned physician practices that operate at a loss (i.e., are subsidized by the Hospital) and the associated costs of these practices:

a. Diabetes Education

b. Berwick Walk-In Clinic

c. Kittery Family Practice

332099 10-03-13

Schedule H (Form 990) 2013



Part VI Supplemental Information (Continuation)

- d. Emergency Room (the Hospital has ER facilities located at the main hospital campus and also in Wells)
- e. Home Health Agency
- f. Chemical Dependency Clinic
- g. OB/GYN Practice
- h. Wells Walk-In
- i. Rheumatology Practice
- j. Neurology Practice
- k. Orthopedics Practice
- l. Urology Practice
- m. Physical Therapy Practice
- n. Pulmonary Practice
- o. Great Works Family Practice
- p. Wells Primary Care
- q. York Plastic Surgery Practice
- r. York Family Practice
- s. Webhannet Internal Medicine Practice
- t. Pediatric Practice
- u. Endocrinology Clinic
- v. Surgical Associates
- w. North Berwick Family Practice
- x. Cardiology Practice
- y. Kittery Walk-In

The above-listed hospital clinical services and hospital-owned physician practices have a community benefit (i.e. aggregate loss or subsidy from the Hospital) of approximately \$29.4 million. In addition, the community benefit does not take into account bad debts, charity care, or contractual

**Part VI** Supplemental Information (Continuation)

adjustments. Thus, this community benefit of approximately \$29.4 million is a conservative figure that reconciles to the community benefit reported on IRS Form 990, Schedule H, Part I, Line 7g, Column e.

Form 990, Schedule H instructions/guidance contains a template (Worksheet 2) that may be used to determine the overall cost to charge ratio that could be applied throughout Schedule H in order to convert charges to cost. Where applicable, the Hospital has utilized Worksheet 2 for various calculations. The only areas where Worksheet 2 was not utilized for Part 1, Line 7 were the following:

a. Schedule H Worksheet 6, Subsidized Health Services (the supporting worksheet for Part I, Line 7g), the Hospital did not utilize Worksheet 2 when calculating the percentage used when determining the profit/loss of each hospital clinical service and hospital-owned physician practice. In addition, when compiling the subsidized hospital clinical services and hospital-owned physician practices listed in 1c above, the Hospital utilized the actual estimated costs on the modified Medicare cost report instead of applying the Worksheet 2 cost to charge percentage.

b. Schedule H Worksheet 3, Unreimbursed Medicaid and Other Means Tested Government Programs (the supporting schedule for Part I, Lines 7b and 7c), and Worksheet 6, Medicaid Allowable Costs for Subsidized Health Services, listed in line 1c above (which is part of the line 7g costs). The Hospital did not utilize the Worksheet 2 percentage when calculating the Medicaid allowable cost. Instead, the Hospital utilized the actual Medicaid filed cost report for the allowable costs.

**Part VI** Supplemental Information (Continuation)

## Part I, Line 7, Column (f):

The Bad Debt expense included on Form 990, Part IX, Line 25(A), but subtracted for purposes of calculating the percentage in this column is \$ 7,509,170.

## Part II, Community Building Activities:

Not Applicable

## Part III, Line 2:

The Hospital estimated the bad debt expense at cost by utilizing the cost to charge ratio per Worksheet 2 multiplied by the provision for uncollectible accounts per the financial statements. See explanation for Part III, Line 4 for more information.

## Part III, Line 4:

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

Services rendered to individuals from whom payment is expected and ultimately not received are written off and included as part of the provision for uncollectible accounts.

## Part III, Line 8:

Form 990, Schedule H instructions/guidance contains a template (Worksheet 2) that may be used to determine the overall cost to

Schedule H (Form 990)

**Part VI** Supplemental Information (Continuation)

charge ratio that could be applied throughout Schedule H in order to convert charges to cost. Where applicable, the Hospital has utilized Worksheet 2 for various calculations. The only areas where Worksheet 2 was not utilized for Part III, Line 8 was Schedule H, Worksheet B, Line 2 & 6, Medicare Allowable Costs and Payments Related to Subsidized Health Services. The Hospital utilized the Medicare cost report estimated cost and payment for these services.

The Hospital believes that its hospital clinical services, hospital-owned physician practices, emergency room, and home health agency listed above should be considered a community benefit, as community members benefit by having easy access to these services, facilities, and programs which are both offered and subsidized. These facilities and programs are offered and thus subsidized through the Hospital.

Part III, Line 9b:

Not applicable.

Part VI, Line 2:

During the year, the Hospital focused on three goals identified in its Community Health Needs Assessment: lowering the percentage of overweight and obese individuals in the service area; implementing Screening, Brief Intervention, and Referral to Treatment (SBIRT) to reduce the rate of chronic drinking and drug abuse; and promoting York Hospital's tobacco cessation services by advertising the Maine Tobacco Helpline through all physician practices and hospital locations.

**Part VI** Supplemental Information (Continuation)**Obesity Goal:**

- Continue to partner with Choose to be Healthy Coalition to create policies and community environments that promote community resources for physical activity and health nutrition (Ongoing).
- Develop a Health Weight Program or bring healthy weight management to the Hospital service area (July-Dec 2014).
- Pilot the Health Weight Program with York Hospital employees (Jan-June 2015)
- Expand the Program to community members (Jul-Dec 2015 and Jan-June 2016).

**Alcohol and Drug Usage Goal:**

- Conduct a continuing education unit presentation to York Hospital medical providers (July 2014)
- Pilot the implementation of the screening and referral tool in at least one family practice (January 2015)
- Introduce the implementation of SBIRT to the Emergency Department (Jan-June 2015).
- Expand implementation to all other family practices (Jul 2015-June 2016).

**Tobacco Usage Goal:**

- Provide continuing medical education for physician staff regarding the Hospital's tobacco cessation services and the Maine Tobacco Helpline (Oct 2014-June 2015).
- Provide Hospital and practice staff training through the Center for Tobacco Independence (May-November 2015).
- Promote resources on Choose To Be Healthy Coalition websites (Ongoing).
- Join with Public Health Partners to publicize the 50th anniversary of the Surgeon General's report on the serious health effects of smoking

Schedule H (Form 990)

**Part VI** Supplemental Information (Continuation)

(Jul-13-June 14).

-Implement EMR changes to help support the use of brief interventions and referrals for tobacco users (Jan-June 2015).

Part VI, Line 3:

The patients' billing statement lists the phone number and website address to use for more information regarding the Financial Assistance Program. The York Hospital Assistance Program guidelines are posted at patient registration areas. The York Hospital Financial Assistance Program is set forth on the Hospital's website.

Part VI, Line 4:

York Hospital's primary service area includes the following communities in Southern York County Maine: Berwick, Eliot, Kittery, North Berwick, Ogunquit, South Berwick, Wells, and York. The Hospital's secondary service area includes: Kennebunk and Lebanon, Maine, and Portsmouth, Dover, Rollinsford, and Somersworth, New Hampshire. Approximately 6% of York Hospital patients utilize Medicaid and approximately 50% of York Hospital patients utilize Medicare. According to the United States Census Bureau, in 2014, 9.7% of York County Residents lived in poverty (<http://www.census.gov/>).

Part VI, Line 5:

The board of trustees is made up of members from all communities served by York Hospital. All medical staff are eligible to participate if they meet privileging criteria. All hospital profits are reinvested in the facilities, equipment and services for the communities.

Part VI Supplemental Information (Continuation)

Part VI, Line 6:

Not Applicable

Part VI, Line 7, List of States Receiving Community Benefit Report:

ME

# **York Hospital**

**Audited Financial Statements**

*Years Ended June 30, 2014 and 2013  
With Independent Auditors' Report*



# BAKER | NEWMAN | NOYES

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
York Hospital

We have audited the accompanying financial statements of York Hospital (the Hospital), which comprise the balance sheets as of June 30, 2014 and 2013, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of June 30, 2014 and 2013, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Portland, Maine  
October 24, 2014

Limited Liability Company

YORK HOSPITAL

BALANCE SHEETS

June 30, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 1,218,578	\$ 238,890
Accounts receivable, less allowance for uncollectible accounts of approximately \$3,692,000 and \$4,413,000 in 2013	22,254,601	22,816,269
Other receivables	108,072	564,839
Inventories	3,434,214	3,408,904
Prepaid expenses and other current assets	1,184,975	1,150,659
Estimated third-party payor settlements (note 3)	-	1,610,865
Trustee held funds (notes 4 and 7)	<u>1,685,735</u>	<u>1,784,753</u>
Total current assets	29,886,175	31,575,179
Bond issuance costs, less amortization	152,024	178,494
Investments in marketable securities (note 5)	29,387,005	25,174,008
Temporarily restricted assets (note 5)	7,621,004	6,507,861
Permanently restricted assets (note 5)	3,275,471	2,879,524
Other investments (note 10)	408,134	268,454
Assets held on behalf of third-party (notes 5 and 8)	1,077,556	926,101
Property, plant and equipment (note 7):		
Land and improvements	8,156,639	8,156,639
Buildings	60,989,842	58,850,481
Equipment	46,596,340	45,606,782
Construction in progress	<u>1,395,429</u>	<u>1,476,941</u>
	117,138,250	114,090,843
Less allowances for depreciation	<u>(69,180,598)</u>	<u>(65,853,003)</u>
	<u>47,957,652</u>	<u>48,237,840</u>
Total assets	<u>\$119,765,021</u>	<u>\$115,747,461</u>

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 8,909,451	\$ 7,249,097
Accrued payroll and amounts withheld	6,535,402	6,612,286
Accrued interest payable	356,436	381,079
Estimated third-party payor settlements (note 3)	72,122	-
Current portion of long-term obligations	<u>1,542,382</u>	<u>1,602,301</u>
Total current liabilities	17,415,793	15,844,763
Long-term obligations, less current portion (note 7)	17,125,493	18,708,628
Long-term pension and other obligations (note 10)	5,673,108	7,536,793
Assets held on behalf of third-party (note 8)	<u>1,077,556</u>	<u>926,101</u>
Total liabilities	41,291,950	43,016,285
Commitments and contingencies (notes 7, 10 and 11)		
Net assets:		
Unrestricted	67,576,596	63,343,791
Temporarily restricted (note 6)	7,621,004	6,507,861
Permanently restricted (note 6)	<u>3,275,471</u>	<u>2,879,524</u>
Total net assets	78,473,071	72,731,176
Total liabilities and net assets	<u>\$119,765,021</u>	<u>\$115,747,461</u>

See accompanying notes.

**YORK HOSPITAL**

**STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted revenues, gains and other support:		
Net patient service revenues (net of contractual allowances and discounts) (note 9)	\$152,289,993	\$154,702,227
Provision for uncollectible accounts	<u>(7,509,170)</u>	<u>(7,730,859)</u>
Net patient service revenues, less provision for uncollectible accounts	144,780,823	146,971,368
Other revenue (note 3)	3,730,412	4,679,385
Net assets released from restrictions used for operations	<u>240,735</u>	<u>257,115</u>
Total revenues, gains and other support	148,751,970	151,907,868
Expenses:		
Homecare	3,265,146	2,772,614
Women, infant and kids	5,851,963	5,666,588
Cardiovascular care	11,096,499	11,172,960
Diagnostic lab	6,016,985	6,165,701
Diagnostic imaging	6,434,588	5,768,573
Oncology and breast care	11,374,097	10,853,218
Wound care	1,148,362	1,250,960
Surgery and special procedures	16,468,245	21,798,776
Rehabilitative care	4,475,894	4,599,907
Integrated medicine	34,891,117	33,117,845
Patient quality and safety	783,412	533,010
Pharmaceutical care	11,290,258	10,744,494
Care access	4,253,558	4,588,892
MyHealth@Wells	475,009	619,327
MyHealth@Berwick	646,287	664,598
MyHealth@Kittery	808,108	803,453
Fundraising	4,732,185	5,656,283
Other expenses	1,081,735	1,078,448
Administrative operations	11,146,936	10,968,032
Financial care	10,597,423	10,323,659
Health care provider tax (note 3)	3,857,440	3,503,004
Interest	<u>890,935</u>	<u>956,842</u>
Total expenses	<u>151,586,182</u>	<u>153,607,184</u>
Operating loss	(2,834,212)	(1,699,316)
Other income (expenses):		
Recognized gain in fair value of investments (note 5)	3,853,798	3,012,742
Unrestricted contributions	198,540	502,964
Investment and other income	37,383	11,465
Gain (loss) on disposal of property, plant and equipment	<u>3,292</u>	<u>(3,397)</u>
Total other income (expenses)	<u>4,093,013</u>	<u>3,523,774</u>
Excess of revenues over expenses	1,258,801	1,824,458

Continued next page.

YORK HOSPITAL

STATEMENTS OF OPERATIONS AND  
CHANGES IN NET ASSETS (CONTINUED)

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted net assets (continued):		
Excess of revenues over expenses	\$ 1,258,801	\$ 1,824,458
Net assets released for property, plant and equipment	82,574	659,348
Adjustment to long-term pension obligations (note 10)	<u>2,891,430</u>	<u>2,661,579</u>
Increase in unrestricted net assets	4,232,805	5,145,385
Temporarily restricted net assets:		
Investment income	88,116	95,364
Net realized gain on investments	561,596	160,412
Donations	326,240	669,672
Income and gains transferred from permanently restricted	79,140	71,393
Net assets released from restrictions	(323,309)	(916,463)
Change in net unrealized gains on investments	<u>381,360</u>	<u>475,919</u>
Increase in temporarily restricted net assets	1,113,143	556,297
Permanently restricted net assets:		
Investment income	37,325	41,033
Net realized gain on investments	275,618	65,608
Income and gains transferred to temporarily restricted	(79,140)	(71,393)
Income and gains transferred to unrestricted	(21,962)	(14,150)
Change in net unrealized gains on investments	<u>184,106</u>	<u>240,189</u>
Increase in permanently restricted net assets	<u>395,947</u>	<u>261,287</u>
Increase in net assets	5,741,895	5,962,969
Net assets beginning of year	<u>72,731,176</u>	<u>66,768,207</u>
Net assets end of year	<u>\$ 78,473,071</u>	<u>\$ 72,731,176</u>

See accompanying notes.

YORK HOSPITAL

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Increase in net assets	\$ 5,741,895	\$ 5,962,969
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	4,659,213	4,927,202
Restricted donations and investment income	(451,681)	(806,069)
Change in minimum pension liability	(1,964,689)	(2,823,451)
Change in net realized and unrealized gains on investments	(5,256,478)	(3,954,870)
Accretion of bond premium	(28,286)	(28,287)
Loss on disposal of property, plant and equipment	(3,292)	3,397
Changes in operating assets and liabilities:		
Accounts receivable, net	561,668	(2,797,296)
Other receivables and inventories	431,457	35,681
Prepaid expenses and other current assets	(34,316)	(118,044)
Accounts payable and accrued expenses	(36,494)	(646,677)
Accrued payroll and amounts withheld	(76,884)	38,835
Deferred compensation plans	101,004	149,212
Estimated third-party payor settlements	1,682,987	(1,810,330)
Accrued interest payable	(24,643)	(23,545)
Net cash provided (used) by operating activities	<u>5,301,461</u>	<u>(1,891,273)</u>
Cash flows from investing activities:		
Additions to property, plant and equipment	(2,662,451)	(4,005,013)
Proceeds from sales of property, plant and equipment	10,036	799,615
Purchase of investments	(24,573,524)	(13,801,088)
Proceeds from sales of investments	24,029,379	16,143,075
Assets held on behalf of third party	(151,455)	(38,429)
Trustee held funds	99,018	(51,534)
Change in other investments	(139,680)	50,787
Net cash used by investing activities	<u>(3,388,677)</u>	<u>(902,587)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	-	2,500,000
Proceeds from restricted donations and restricted investment income	530,217	1,133,506
Assets held on behalf of third party	151,455	38,429
Repayment of long-term obligations	(1,614,768)	(1,498,349)
Debt issuance costs	-	(12,014)
Net cash (used) provided by financing activities	<u>(933,096)</u>	<u>2,161,572</u>
Net increase (decrease) in cash and cash equivalents	979,688	(632,288)
Cash and cash equivalents at beginning of year	<u>238,890</u>	<u>871,178</u>
Cash and cash equivalents at end of year	<u>\$ 1,218,578</u>	<u>\$ 238,890</u>
Supplemental disclosure of noncash activities:		
Purchases of property, plant and equipment in accounts payable and accrued expenses	<u>\$ 1,696,848</u>	<u>\$ -</u>

See accompanying notes.

# YORK HOSPITAL

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

### 1. Organization

York Hospital (the Hospital) is a not-for-profit health care center established to provide health care services to the York County area. The Hospital also offers services in Wells, Kittery, Berwick, North Berwick and South Berwick, provides both inpatient and outpatient acute services and has 79 licensed acute beds. To better define the philosophy of the Hospital in providing health care services, the Board of Trustees and Hospital management have developed a Mission Statement which is as follows:

#### Mission Statement

We are committed to providing exceptional care to our patients and their families. All our efforts must be thoughtful, kind and loving.

We are dedicated to creating and nurturing a fabric of compassionate relationships among physicians, care givers, patients and families to offer sensitive, understandable, high quality medical care experiences.

We recognize our responsibility to serve all in our community as they are the ultimate judge of how well we listen, respond and care.

#### Community Service

The Hospital completes its mission in serving the community in many different ways, some direct and measurable, while others are less tangible in nature although not any less important.

In accordance with the mission of the Hospital, it is the intent of the Hospital to provide exceptional care to all of its patients. No person shall be denied medically necessary services regardless of their ability to pay. In order to assure this service to the community, the Hospital has established certain policies to define charity services which are based upon recognized poverty income levels established by the federal government. The Hospital has adopted a more lenient policy by recognizing eligibility for charity care services at or below 200% of the federal poverty guidelines.

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy.

YORK HOSPITAL  
NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Accounting Policies

The accounting policies that affect the more significant elements of the financial statements of the Hospital are summarized below:

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (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. The more significant areas which are affected by the use of estimates include the allowance for uncollectible accounts, reserves for self-insurance and estimated third-party payor settlements.

Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses in such accounts and believes it is not exposed to any significant risk at June 30, 2014. Net accounts receivable represent net receivables from patients and third-party payors for services provided by the Hospital. Patient accounts receivable from government-related programs comprised 54% and 52% of receivables at June 30, 2014 and 2013, respectively. The Hospital's investments consist of diversified investment securities and, while subject to market risk, do not represent any significant concentrations in any sectors.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur.

Services rendered to individuals from whom payment is expected and ultimately not received are written off and included as part of the provision for uncollectible accounts.

Activities directly associated with services related to acute and ancillary care services are considered to be operating activities and are included as patient service revenue. Revenue which is not related to patient medical care and which is normal to the day-to-day operations of the Hospital is included in other revenue.



# YORK HOSPITAL

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

### 2. Accounting Policies (Continued)

#### Charity Care

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

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 Hospital 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, 2014 and 2013 were approximately \$3,840,000 and \$3,825,000, respectively.

#### Excess of Revenues Over Expenses

The statement of operations and changes in net assets includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include the adjustment to long-term pension obligations, and net assets released for property, plant and equipment.

#### Cash and Cash Equivalents

All highly liquid savings deposits and investments with maturities of three months or less when purchased are considered to be cash equivalents.

#### Accounts Receivable and the Allowance for Uncollectible Accounts

Accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for uncollectible 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 Hospital records a provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

# YORK HOSPITAL

## NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

### 2. Accounting Policies (Continued)

The Hospital's allowance for uncollectible accounts for gross patients accounts receivable was approximately 7% and 9% at June 30, 2014 and 2013, respectively. The Hospital's provision for uncollectible accounts was \$7,509,170 in 2014 and \$7,730,859 in 2013.

#### Investments

All investments which are publicly traded are measured at fair market value based on market quotations. Other securities for which no such quotations or valuations are readily available are carried at estimated fair value.

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.

Investment income or loss, including realized and unrealized gains and losses on investments, interest and dividends, is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Realized gains or losses on the sale of investment securities are determined by the specific identification method.

Investment income earned on unrestricted investments is reported as nonoperating gains. Investment income on restricted investments is reported as nonoperating gains unless specifically restricted by the donor or state law, in which case it is reported as an increase in temporarily or permanently restricted net assets.

Investments in nonmarketable investments are generally carried at fair value estimated by management based on fair values provided by external investment managers. The Hospital reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value at June 30, 2014, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed and such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements based on information provided by the management of the fund. The Hospital believes that the carrying amount of its nonmarketable investments of \$7,172,238 is a reasonable estimate of fair value as of June 30, 2014 (Note 5).

#### Inventories

Inventories of supplies and pharmaceuticals are carried at average cost.

#### Bond Issuance Costs

Bond issuance costs represent costs incurred in connection with debt related to Maine Health and Higher Educational Facilities Authority (MHHEFA) revenue bonds and are being amortized over the terms of the bonds based upon the bonds outstanding method.

## YORK HOSPITAL

### NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

#### 2. Accounting Policies (Continued)

##### Other Investments

Other investments primarily represent interests in certain real estate not used for Hospital operating purposes.

##### Property, Plant and Equipment

Property, plant and equipment is stated at cost or at fair value at the date of donation. The Hospital's policy is to capitalize expenditures for major improvements and additions and charge maintenance and repairs currently for expenditures which do not extend the useful lives of the related assets. Depreciation is computed using the straight-line method in a manner which is intended to amortize the cost of the assets over their estimated useful lives. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

##### Temporarily and Permanently Restricted Net Assets

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

##### Donor-Restricted Gifts

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

##### Pension Plans

The Hospital sponsors a noncontributory defined benefit pension plan which covered substantially all employees through December 31, 2008, the date the plan was frozen. The Hospital's funding policy is to contribute annually at a rate intended to provide for the cost of benefits earned during the year. The plan benefits are based on years of service and the employee's career average compensation during employment. The Hospital had met its funding requirement in 2014 and 2013.

The Hospital also sponsors a defined contribution 401(k) plan available to all employees. Employee contributions under the 401(k) plan are matched up to a maximum of 7% of the employee's current year compensation. Employer contributions in the 401(k) vest immediately. Total expense for the Hospital under the 401(k) plan was approximately \$1,010,000 and \$1,135,000 for the years ended June 30, 2014 and 2013, respectively. The Hospital's policy under the defined contribution plan is to recognize expense as incurred and fund its portion of amounts due under the plan on a current basis.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Accounting Policies (Continued)

Self-Insured Programs

The Hospital self-insures its unemployment risk and employee health benefits. The Hospital has estimated and recorded its obligations under these programs. As experience develops, any deviations from estimated amounts will be recorded in current operations. Stop-loss insurance coverage on an individual claims basis is in effect for the employee health benefits which mitigates the Hospital's exposure to loss, however, the Hospital has not obtained aggregate stop-loss insurance coverage.

Total expense for health benefits was approximately \$7,819,000 and \$9,516,000 in 2014 and 2013, respectively, of which approximately \$5,810,000 and \$5,585,000, respectively, represented services rendered by the Hospital for which revenue was recorded.

The Hospital also participates in a worker's compensation insurance plan through an industry cooperative. Current funding levels are considered to be adequate to meet future claims. Excess insurance has been purchased to mitigate the cooperative's exposure on an aggregate and individual basis.

Advertising Expense

Advertising costs are expensed as incurred and total approximately \$446,000 and \$582,000 in fiscal 2014 and 2013, respectively.

Income Taxes

The Hospital is a not-for-profit corporation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

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 Hospital has evaluated the positions taken on its filed tax returns. The Hospital has concluded no uncertain income tax positions exist at June 30, 2014. The Hospital's tax years from 2011 through 2014 are open and subject to examination.

Reclassifications

Certain 2013 amounts have been reclassified to permit comparison with the 2014 financial statements presentation format.

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 October 24, 2014 which is the date the financial statements were available to be issued.

## YORK HOSPITAL

### NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

#### 3. Estimated Third-Party Payor Settlements

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

##### Medicare

Inpatient and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. The Hospital files an annual cost report with the Medicare program after the completion of each fiscal year to report activity applicable to the Medicare program and to determine any final settlements.

##### MaineCare

MaineCare, the State of Maine's Medicaid program, is a medical assistance program offered by the State of Maine Department of Human Services. Inpatient and outpatient services rendered to MaineCare program beneficiaries are reimbursed under a variety of methodologies, including prospective rates, fee schedules and cost reimbursement. The Hospital is reimbursed a prospective amount during the year with final settlement determined after submission of an annual cost report by the Hospital and audit thereof by MaineCare.

The State of Maine enacted legislation establishing a health care provider tax (State tax). As a result, the Hospital was subjected to and recorded \$3,857,440 and \$3,503,004 of State tax in 2014 and 2013, respectively.

As of June 30, 2014 and 2013, the Hospital has amounts due from the State of Maine under the MaineCare program of approximately \$1,900,000 and \$3,900,000, respectively. The amounts recorded have been determined based upon applicable regulations and the Hospital 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 September 2013, the Hospital received an interim payment of \$3,900,000 from the State of Maine.

##### Other

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

The estimated third-party payor settlements reflected on the balance sheets represent the estimated net amounts to be paid or received under reimbursement contracts with the Centers for Medicare and Medicaid Services (Medicare), Anthem Blue Cross and the Maine Department of Human Services (MaineCare). As of June 30, 2014, settlements for the Hospital have been finalized through fiscal 2013 with Blue Cross, fiscal 2009 with Medicare and fiscal 2004 with MaineCare.

**YORK HOSPITAL**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014 and 2013

**3. Estimated Third-Party Payor Settlements (Continued)**

Revenues from the Medicare and MaineCare programs accounted for approximately 49% and 6%, respectively, of the Hospital's gross patient service revenues for the year ended June 30, 2014 and 47% and 7%, respectively, for 2013. Laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and MaineCare programs. The Hospital believes that it is in compliance with all applicable laws and regulations.

**Electronic Health Records Incentive Payments**

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. The Hospital filed their meaningful use attestations with CMS. Revenue totaling approximately \$1,700,000 and \$2,400,000 associated with these meaningful use attestations was recorded within other revenues for the years ended June 30, 2014 and 2013, respectively.

**4. Trustee Held Funds**

As part of the note agreements the Hospital has with MHHEFA in conjunction with certain bond issues (see Note 7), the Hospital is required to fund and maintain certain bond funds. The total amounts held in these funds by a trustee are as follows:

	<u>2014</u>	<u>2013</u>
Debt service funds:		
2010B	\$ 361,328	\$ 357,878
2009A	165,913	162,938
2008D	194,106	196,406
2008C	138,265	134,915
2007A	393,109	388,209
2006F	273,208	268,108
2004B	159,806	157,169
2003C	<u>—</u>	<u>119,130</u>
	<u>\$1,685,735</u>	<u>\$1,784,753</u>

All trustee held funds consist of cash and cash equivalents.

**YORK HOSPITAL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

**5. Investments and Restricted Assets**

Unrestricted and restricted investments, along with temporarily restricted donations receivable, total as follows at fair value:

	<u>2014</u>	<u>2013</u>
Unrestricted investments	\$19,446,360	\$19,022,964
Unrestricted board designated	9,940,645	6,151,044
Temporarily restricted	7,536,131	6,344,452
Temporarily restricted donations receivable	84,873	163,409
Permanently restricted	<u>3,275,471</u>	<u>2,879,524</u>
	40,283,480	34,561,393
Less donations receivable	<u>(84,873)</u>	<u>(163,409)</u>
Total Hospital investments	40,198,607	34,397,984
Assets held on behalf of third party	<u>1,077,556</u>	<u>926,101</u>
Total investments	<u>\$41,276,163</u>	<u>\$35,324,085</u>

**Investment and Spending Policies**

The Hospital's investment objective is to preserve its purchasing power, while providing a continuing and stable funding source to support the current and future mission. To accomplish this objective, the investment portfolio seeks to generate a total return that will exceed not only amounts approved for distribution but also all expenses associated with managing the investments and the eroding effects of inflation. It is the intention that all total return (interest income, dividends, realized gains and unrealized gains), above and beyond the amount approved for expenditure or distribution, will be reinvested. Investments will be managed on a total return basis, consistent with the applicable standard of conduct set forth in the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA).

The Hospital pools the majority of its investments. Investment income and gains or losses are aggregated and allocated equitably to the funds participating in the pool. Investment income and gains and (losses) consisted of the following for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 321,121	\$ 376,825
Realized gains on sales of securities, net	<u>3,129,883</u>	<u>1,006,847</u>
	3,451,004	1,383,672
Change in net unrealized gains on investments	<u>2,126,595</u>	<u>2,948,023</u>
	<u>\$5,577,599</u>	<u>\$ 4,331,695</u>

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

5. Investments and Restricted Assets (Continued)

Fair Value Measurements

GAAP has established a fair value hierarchy that results in classification of assets and liabilities within three different levels. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1 – Assets or liabilities 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, mutual funds and marketable equity securities.

Level 2 – Valuations for assets and liabilities 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 U.S. Government and agency bonds, and municipal and corporate bonds.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities. Assets classified as Level 3 include alternative investments.

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The following table provides the assets carried at fair value as of June 30:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2014</u>				
Cash and cash equivalents	\$ 3,435,038	\$ 3,435,038	\$ –	\$ –
Equity mutual funds	15,008,592	15,008,592	–	–
International equity mutual funds	5,508,377	5,508,377	–	–
U.S. government and agency bonds	1,320,823	–	1,320,823	–
Municipal bonds	1,460,427	–	1,460,427	–
Corporate bonds	2,462,353	–	2,462,353	–
Marketable equity securities:				
Healthcare	286,050	286,050	–	–
Financial	1,036,190	1,036,190	–	–
Consumer staples	828,042	828,042	–	–
Consumer discretionary	412,321	412,321	–	–
Materials	326,610	326,610	–	–
Energy	278,025	278,025	–	–
Information technology	852,039	852,039	–	–
Industrial	71,620	71,620	–	–
ADR's	817,418	817,418	–	–
Alternative investments	<u>7,172,238</u>	<u>–</u>	<u>–</u>	<u>7,172,238</u>
	<u>\$41,276,163</u>	<u>\$28,860,322</u>	<u>\$5,243,603</u>	<u>\$7,172,238</u>



YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

5. Investments and Restricted Assets (Continued)

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2013</u>				
Cash and cash equivalents	\$ 243,188	\$ 243,188	\$ -	\$ -
Equity mutual funds	11,482,896	11,482,896	-	-
International equity mutual funds	4,837,022	4,837,022	-	-
U.S. government and agency bonds	1,232,317	-	1,232,317	-
Municipal bonds	1,489,941	-	1,489,941	-
Corporate bonds	2,260,309	-	2,260,309	-
Marketable equity securities:				
Healthcare	394,610	394,610	-	-
Financial	1,219,339	1,219,339	-	-
Consumer staples	1,018,743	1,018,743	-	-
Consumer discretionary	694,016	694,016	-	-
Materials	537,004	537,004	-	-
Energy	509,775	509,775	-	-
Information technology	1,315,424	1,315,424	-	-
Industrial	76,545	76,545	-	-
ADR's	750,263	750,263	-	-
Alternative investments	<u>7,262,693</u>	<u>-</u>	<u>-</u>	<u>7,262,693</u>
	<u>\$35,324,085</u>	<u>\$23,078,825</u>	<u>\$4,982,567</u>	<u>\$7,262,693</u>

The change in fair value of Level 3 alternative investments is due to the following:

Balance at June 30, 2012	\$7,000,702
Sales	(189,997)
Net realized and unrealized gains on investments	<u>451,988</u>
Balance at June 30, 2013	<u>\$7,262,693</u>
Balance at June 30, 2013	\$7,262,693
Purchases	200,000
Sales	(871,774)
Net realized and unrealized gains on investments	<u>581,319</u>
Balance at June 30, 2014	<u>\$7,172,238</u>

**YORK HOSPITAL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

**6. Temporarily Restricted and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at June 30:

	<u>2014</u>	<u>2013</u>
Contributions receivable	\$ 84,873	\$ 163,409
Plant replacement	6,650,763	5,675,813
Home health	70,555	61,728
Nursing education	462,848	369,209
Breast cancer	<u>351,965</u>	<u>237,702</u>
	<u>\$7,621,004</u>	<u>\$6,507,861</u>

Permanently restricted net assets at June 30 are restricted to:

	<u>2014</u>	<u>2013</u>
Net assets to be held in perpetuity with gains reinvested and income temporarily restricted	\$2,184,604	\$1,866,323
Net assets with gains and income temporarily restricted	380,785	380,785
Net assets with gains and a portion of income retained as permanently restricted and a portion of income unrestricted	<u>710,082</u>	<u>632,416</u>
	<u>\$3,275,471</u>	<u>\$2,879,524</u>

Donor restricted net assets are managed in accordance with donor intent and are invested in a portfolio of stocks and bonds.

**7. Long-Term Obligations**

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

	<u>2014</u>	<u>2013</u>
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2010B issued by MHHEFA, including premium of \$173,908 in 2014 and \$188,400 in 2013, which bears interest at rates varying from 2.5% to 5%; annual principal payments due in amounts ranging from \$140,000 to \$480,000 with the last payment due in fiscal year 2026 (see below)	\$ 2,471,852	\$ 2,776,344
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2009A issued by MHHEFA, including premium of \$51,052 in 2014 and \$57,434 in 2013, which bears interest at rates varying from 2% to 5%; annual principal payments due in amounts ranging from \$135,000 to \$185,000 with the last payment due in fiscal year 2021	1,131,127	1,272,509
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2008D issued by MHHEFA, which bears interest from 3.5% to 5.5%; annual principal payments due in amounts ranging from \$115,000 to \$230,000 with the last payment due in fiscal year 2029	2,218,695	2,333,695

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

7. Long-Term Obligations (Continued)

	<u>2014</u>	<u>2013</u>
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2008C issued by MHHEFA, which bears interest from 3% to 5%; annual principal payments due in amounts ranging from \$110,000 to \$125,000 with the last payment due in fiscal year 2024	\$ 1,034,879	\$ 1,144,879
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2007A issued by MHHEFA, including premium of \$68,131 in 2014 and \$72,389 in 2013, which bears interest at rates varying from 4% to 5%; annual principal payments due in amounts ranging from \$240,000 to \$500,000 with the last payment due in fiscal year 2031	5,530,564	5,774,822
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2006F issued by MHHEFA, including premium of \$3,649 in 2014 and \$4,865 in 2013, which bears interest at 4%; annual principal payments due in amounts ranging from \$245,000 to \$280,000 with the last payment due in fiscal year 2017	512,449	758,665
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2004B issued by MHHEFA, including premium of \$10,358 in 2014 and \$12,296 in 2013, which bears interest at rates varying from 3% to 5%; annual principal payments due in amounts ranging from \$135,000 to \$175,000 with the last payment due in fiscal year 2020	810,033	946,971
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2003C issued by MHHEFA, which bears interest at rates varying from 2.25% to 3.62%; annual principal payments due in the amount of \$115,000 in fiscal year 2014	-	115,000
Commercial loan payable to Peoples United Bank which bears interest at a fixed rate of 3.74%, monthly principal and interest payments of \$12,914 due through 2022; the proceeds were used to fund the construction of a medical office building in Kittery, Maine; the note is secured with a security interest in the related building and land and an assignment of all rentals	2,378,236	2,441,385
Commercial loan payable to Kennebunk Savings Bank which bears interest at a fixed rate of 6.75% through January 2015, at which time the rate becomes variable; monthly principal and interest payments of \$16,071; the proceeds were used to fund the construction of a physician building in South Berwick, Maine; the note is secured with a security interest in the related building and land and an assignment of all rentals	1,015,533	1,087,581
Commercial loan payable to Kennebunk Savings Bank which bears interest at a fixed rate of 6.75% through January 2015, at which time the rate becomes variable; monthly principal and interest payments of \$11,385; the proceeds were used to fund the construction of a medical office building in Wells, Maine; the note is secured with a security interest in the related building and land and an assignment of all rentals	<u>1,564,507</u>	<u>1,659,078</u>
	18,667,875	20,310,929
	<u>(1,542,382)</u>	<u>(1,602,301)</u>
Less current portion		
	<u>\$17,125,493</u>	<u>\$18,708,628</u>

**YORK HOSPITAL**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

**7. Long-Term Obligations (Continued)**

All of the above notes payable to MHHEFA are secured by a shared first mortgage on substantially all of the Hospital's property, plant and equipment and the Hospital's gross receipts.

The Hospital is required to make monthly deposits of interest and principal sufficient to make the semi-annual interest payments and to retire the Bonds when due for each of the notes payable to MHHEFA and these amounts, as funded, are included in trustee held funds (see Note 4).

Aggregate principal payments required under long-term debt agreements for the next five years are as follows: 2015 - \$1,542,382; 2016 - \$1,612,266; 2017 - \$1,286,088; 2018 - \$1,341,373; and 2019 - \$1,398,435.

The fair value of the Hospital's long-term debt at June 30, 2014 was approximately \$19,037,000.

Actual interest paid on long-term obligations was approximately \$944,000 and \$1,009,000 in 2014 and 2013, respectively, which includes approximately \$2,000 of capitalized interest in 2013.

On March 6, 2014, the Hospital was issued a letter of credit in the amount of \$250,000 which expires in March 2015.

**8. Assets Held on Behalf of Third-Party**

At June 30, 2014 and 2013, the Hospital was holding \$1,077,556 and \$926,101, respectively, on behalf of York Health Foundation, an entity unrelated to the Hospital. The assets consist of cash, mutual funds, debt and equity securities.

**9. Net Patient Service Revenue**

The amounts which the Hospital charged at established rates are shown below, along with the adjustments to net patient service revenue:

	<u>2014</u>	<u>2013</u>
Gross patient service revenue	\$ 333,743,868	\$ 330,800,518
Deductions from revenue:		
Third-party contractual adjustments	(172,544,006)	(167,185,401)
Provisions for charity care	(8,428,724)	(8,271,040)
Other	<u>(481,145)</u>	<u>(641,850)</u>
	<u>(181,453,875)</u>	<u>(176,098,291)</u>
Net patient service revenue	<u>\$ 152,289,993</u>	<u>\$ 154,702,227</u>

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

9. Net Patient Service Revenue (Continued)

An estimated breakdown of patient service revenue, net of contractual adjustments and provision for uncollectible accounts recognized from these major payor sources, is as follows:

	<u>2014</u>	<u>2013</u>
Medicare	\$ 53,812,633	\$ 50,347,652
Medicaid	8,453,568	7,892,822
Commercial	81,602,384	87,695,382
Patients	<u>16,850,132</u>	<u>17,037,411</u>
	160,718,717	162,973,267
Provision for bad debt	(7,509,170)	(7,730,859)
Provision for charity care	<u>(8,428,724)</u>	<u>(8,271,040)</u>
	<u>\$144,780,823</u>	<u>\$146,971,368</u>

10. Defined Benefit Pension Plan and Other Benefits

Defined Benefit Pension Plan

The long-term pension obligation of \$3,284,434 and \$5,249,123 at June 30, 2014 and 2013, respectively, is included as part of long-term obligations and other obligations on the balance sheet which also includes other liabilities of \$2,388,674 and \$2,287,670 at June 30, 2014 and 2013, respectively, as described below.

All amounts reflected in the change in unrestricted net assets relate to the adjustment to the long-term pension obligation.

The amount expected to be recognized as a component of net periodic benefit cost in 2015 is approximately \$450,000.

The following table sets forth the plan's funded status and amounts recognized in the Hospital's balance sheets with respect to its deferred benefit pension plan at June 30:

	<u>2014</u>	<u>2013</u>
Pension benefits:		
Fair value of plan assets at June 30	\$ 23,621,529	\$ 23,494,128
Projected benefit obligation at June 30	<u>(26,905,963)</u>	<u>(28,743,251)</u>
Funded status	<u>\$ (3,284,434)</u>	<u>\$ (5,249,123)</u>
Accumulated benefit obligation	<u>\$ 26,905,963</u>	<u>\$ 28,743,251</u>
Accrued pension cost	<u>\$ (3,284,434)</u>	<u>\$ (5,249,123)</u>

**YORK HOSPITAL**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2014 and 2013

**10. Defined Benefit Pension Plan and Other Benefits (Continued)**

The assets of the plan are carried at fair value and are classified in the three categories as described in Note 5. The following table provides the assets of the plan carried at fair value as of June 30.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2014</u>				
Equity mutual funds	\$11,334,597	\$11,334,597	\$ -	\$ -
Fixed income mutual funds	2,941,909	2,941,909	-	-
Closed end equity mutual funds	3,858,675	3,858,675	-	-
U.S. government and agency bonds	1,119,114	-	1,119,114	-
Corporate bonds	1,604,223	-	1,604,223	-
Municipal bonds	969,128	-	969,128	-
Alternative investments	<u>1,793,883</u>	<u>-</u>	<u>-</u>	<u>1,793,883</u>
<b>Plan assets</b>	<b><u>\$23,621,529</u></b>	<b><u>\$18,135,181</u></b>	<b><u>\$3,692,465</u></b>	<b><u>\$1,793,883</u></b>
<u>2013</u>				
Cash and cash equivalents	\$ 1,036,678	\$ 1,036,678	\$ -	\$ -
Equity mutual funds	11,413,648	11,413,648	-	-
Fixed income mutual funds	2,821,178	2,821,178	-	-
International equity mutual funds	4,456,711	4,456,711	-	-
U.S. government and agency bonds	795,596	-	795,596	-
Corporate bonds	1,471,440	-	1,471,440	-
Municipal bonds	986,107	-	986,107	-
Alternative investments	<u>512,770</u>	<u>-</u>	<u>-</u>	<u>512,770</u>
<b>Plan assets</b>	<b><u>\$23,494,128</u></b>	<b><u>\$19,728,215</u></b>	<b><u>\$3,253,143</u></b>	<b><u>\$ 512,770</u></b>

The change in fair value of Level 3 alternative investments is due to the following:

Balance at June 30, 2013	\$ 512,770
Purchases	1,100,000
Sales	(14,628)
Net realized and unrealized loss on investments	<u>195,741</u>
<b>Balance at June 30, 2014</b>	<b><u>\$1,793,883</u></b>

The target allocation percentage for investments is 60% equities and 40% debt securities. The Plan trustee evaluates its target allocation periodically in relation to market performance and overall market conditions. The Plan does not allow for the purchase of derivatives and the overall goal is to provide for adequate investment growth, along with contributions, to provide adequate funding to meet plan obligations on a current and projected basis.

The overall expected long-term rate of return is based upon achieved historical returns of a mix of stocks and bonds and expectations of future yields and market performance for such securities.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

10. Defined Benefit Pension Plan and Other Benefits (Continued)

The following table provides information with respect to the plan for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Net pension cost	\$ 926,741	\$1,338,128
Employer contribution	-	1,500,000
Benefits paid	3,294,687	1,465,876

Expected benefits to be paid in future years are: 2015 - \$1,556,203; 2016 - \$1,592,589; 2017 - \$1,588,802; 2018 - \$1,556,346; and 2019 - \$1,681,970; and aggregate for the next five fiscal years thereafter - \$8,397,672.

There is no expected contribution to be made in fiscal 2015.

The following table provides the weighted average assumptions as of June 30:

	<u>2014 End</u> <u>of Year</u>	<u>2013 End</u> <u>of Year</u>
Discount rate	4.5%	5.0%
Expected return on plan assets	7.0	7.0

Deferred Compensation Plans

During 2007, the Hospital established a deferred compensation arrangement under a nonqualified defined contribution plan to provide supplemental retirement benefits to certain employees. A fund was established to provide for benefits under the plan. The plan was terminated in 2013 and all assets were distributed. The Hospital also has a supplemental executive retirement plan (SERP) for an executive officer. The total obligation of the Hospital under this agreement was \$2,388,674 and \$2,287,670 at June 30, 2014 and 2013, respectively. The obligations are included in long-term pension and other obligations on the balance sheet and amounts funded for the plan are included in investments. The assets are carried at fair value and are classified as Level 1 under the GAAP hierarchy described in Note 5.

Under the plan, all gains and losses in trust fund investments increase or decrease the deferred compensation liability.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

11. Medical Malpractice Insurance

The Hospital insures its medical malpractice risks on a claims made basis. At June 30, 2014, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage nor were there any unasserted claims or incidents which require a loss accrual in excess of insurance coverage. The Hospital intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

In accordance with Accounting Standards Update (ASU) No. 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), the Hospital recorded a liability of \$735,000 and \$744,000 at June 30, 2014 and 2013, respectively, related to estimated professional liability losses. There is no receivable related to estimated recoveries under insurance coverage for recoveries of the potential losses.

12. Volunteer Services

Total volunteer service hours provided to the Hospital were approximately 46,000 and 56,000 in 2014 and 2013, respectively. The volunteers provide various nonspecialized services to the Hospital, none of which has been recognized as revenue or expense in the statements of operations.



SCHEDULE I (Form 990)

Department of the Treasury Internal Revenue Service

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.

Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

York Hospital

Employer identification number 01-0212444

2013

Open to Public Inspection

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. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any Grants and Other Assistance to Organizations and Governments in the United States.

Table with 7 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (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

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

York Hospital

Schedule I (Form 990) (2013)

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
Continuing Education/Seminars and Workshops	68	27,073.	0.		

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Part I, Line 2:  
 The scholarship fund is monitored by a committee which manages the funds in accordance with the donor's wishes. The committee does this by allocating a portion for seminars and workshops or continuing education, allocating a portion for an orientation program, and allocating funds for those who want to attend nursing school or primary education. Continuing education funds are allocated to each department head responsible for staff and each is then responsible for spending funds in accordance with the donor's wishes. The orientation program is directly administered by the

Part IV Supplemental Information

manager responsible for the employee in orientation. There were no grants awarded for the orientation program during the period covered by this return. For nursing scholarships, people must apply to the Committee through an application process and then report back to the Committee on their progress. All amounts spent are also tracked and reviewed in accounting to ensure that the monies are used in accordance with the donor's wishes. Annually, the Director of Development reports fund activity directly to the donors.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2013**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

Name of the organization

**York Hospital**

Employer identification number

**01-0212444**

**Part III Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use          |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence          |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)          |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee   | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

**a** Receive a severance payment or change-of-control payment?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

**a** The organization?

**b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

**a** The organization?

**b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		X
2	X	
3		
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

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

Schedule J (Form 990) 2013



**Part III: Supplemental Information**

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.

Part I, Line 1a:

Minimal rotary dues for president

Part I, Line 4b:

Jud Knox, President, has a SERP Defined Benefit plan. The increase in actuarial value during 2013 was \$150,000.

Part I, Line 7:

Performance-based variable compensation which is subject to review annually.

Entity 1

**SCHEDULE K**  
 (Form 990)  
 Department of the Treasury  
 Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**  
 Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.  
 Attach to Form 990. See separate instructions. Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization: **York Hospital**  
 Employer identification number: **01-0212444**

**Part I Bond Issues**  
 See Part VI for Column (f) Continuations

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Deceased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MHHEFA	01-0314384560425NW6	07/24/03	6,988,265	For MRI unit		X		X			X
B MHHEFA	01-0314384560425UT5	12/09/04	42,196,950	CT scanner, nuclear me, radio		X		X			X
C MHHEFA	01-0314384560425G20	09/07/06	94,723,676	CT scanner, digital MAMMO equ		X		X			X
D MHHEFA	01-0314384560425L40	07/18/07	97,716,087	Refinance 1999B ER project & 2000		X		X			X

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired		1,055,000		975,000		1,505,000		1,330,000
2 Amount of bonds legally defeased								
3 Total proceeds of issue		1,179,561		1,941,005		2,318,380		7,437,938
4 Gross proceeds in reserve funds		137,879		135,325		291,200		547,568
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		39,017		31,950		37,906		7,368,244
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		1,002,665		1,773,730		1,989,274		
11 Other spent proceeds								
12 Other unspent proceeds		2003		2005		2006		2007
13 Year of substantial completion		Yes	No	Yes	No	Yes	No	No
14 Were the bonds issued as part of a current refunding issue?		X		X		X		X
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16 Has the final allocation of proceeds been made?		X		X		X		X
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?		X		X		X		X

**Part III Private Business Use**

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

**SCHEDULE K**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Entity 2

**Supplemental Information on Tax-Exempt Bonds**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No. 1545-0047

2013  
Open to Public  
Inspection

Name of the organization

York Hospital

Employer identification number  
01-0212444

**Part I Bond Issues** See Part VI for Column (f) Continuations

(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) Pooled financing	
						Yes	No	Yes	No
A MHHEFA	01-0314384	560525Z78	06/19/08	48,451,841.	Imaging equipment		X		X
B MHHEFA	01-0314384	5604253L2	12/03/08	41,658,395.	Surgey center addition		X		X
C MHHEFA	01-0314384	560427GE0	12/10/09	93,040,181.	New CT and other equipment		X		X
D MHHEFA	01-0314384	560427JA5	06/24/10	113,477,369.	Refinance 1993, 1998, 1999A & 200		X		X

**Part II Proceeds**

	A	B	C	D
1 Amount of bonds retired	105,000.	295,000.	200,000.	325,000.
2 Amount of bonds legally defeased				
3 Total proceeds of issue	1,707,209.	2,788,576.	1,827,960.	4,001,877.
4 Gross proceeds in reserve funds	162,330.	341,545.	194,925.	607,056.
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows	42,816.	46,861.	29,377.	5,418,358.
7 Issuance costs from proceeds				51,237.
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds	1,474,018.	2,400,170.	1,603,658.	
10 Capital expenditures from proceeds	28,044.			
11 Other spent proceeds				
12 Other unspent proceeds	2008	2010	2010	2010
13 Year of substantial completion	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		X		X
15 Were the bonds issued as part of an advance refunding issue?		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		X
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X



01-0212444

Schedule K (Form 990) 2013 York Hospital

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		X
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
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		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?		X		X		X		X
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		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		X

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?	X			X		X		X
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?			X		X		X	
b Exception to rebate?				X		X		X
c No rebate due?								
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		X
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

01-0212444

York Hospital

Schedule K (Form 990) 2013

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		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?		X		X		X		X
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
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		%		%		%		%
6 Total of lines 4 and 5		X		X		X		X
7 Does the bond issue meet the private security or payment test?		X		X		X		X
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		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		X

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		X
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X		X		X		X
b Exception to rebate?		X		X		X		X
c No rebate due?	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		X
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								



01-0212444

York Hospital

Schedule K (Form 990) 2013

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		X
b Name of provider	SEPCM							
c Term of GIC	28.0000000							
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X			X		X		X
6 Were any gross proceeds invested beyond an available temporary period?		X						
7 Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		X

Part V: Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
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		X

Part VI: Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Schedule K, Part I, Bond Issues:

(a) Issuer Name: MHHEFA								
(f) Description of Purpose: CT scanner, nuclear me, radiology, MAMMO unit								
(a) Issuer Name: MHHEFA								
(f) Description of Purpose: CT scanner, digital MAMMO equip, PAC's equipment								
(a) Issuer Name: MHHEFA								
(f) Description of Purpose: Refinance 1993, 1998, 1999A & 2001D								
Refinance 1999B ER project & 2000C Wells Regional								
(a) Issuer Name: MHHEFA								
(f) Description of Purpose: Refinance 1993, 1998, 1999A & 2001D								
Schedule K, Part IV, Arbitrage, Line 2c:								
(a) Issuer Name: MHHEFA								
Date the Rebate Computation was Performed: 06/19/2013								

Form 990, Schedule K, Part III, Line 9, IV, Line 7, and Part V:

See Part VI Supplemental Information Sheet

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions) (Continued)

Although formal policies are not in place to ensure that violations are timely identified and corrected, the bonds issuer, Maine Health & Higher Educational Facilities Authority (MHHEFA), monitors Section 148 requirements for York Hospital until funds are spent down enough to ensure none of the Hospital's tax exempt bonds become arbitrage bonds. Bond proceeds are placed in low yield investments and no funds are released to York Hospital until expenses have been incurred and receipts are provided to MHHEFA.

Furthermore, the Hospital works closely with MHHEFA to ensure that safeguards are in place to take appropriate and timely remedial action should any violations of federal tax requirements occur.

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

Department of the Treasury  
Internal Revenue Service

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

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

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

OMB No. 1545-0047

**2013**

Open to Public  
Inspection

Name of the organization

York Hospital

Employer identification number  
01-0212444

Form 990, Part VI, Section B, line 11:

The Hospital's Form 990 is prepared with the assistance of an independent public accounting firm and thoroughly reviewed by the Hospital's finance staff before it is filed. The 990 is distributed to the Board of Trustees for their review after it is filed.

Form 990, Part VI, Section B, Line 12c:

Annually the Board of Trustees and the officers sign a conflict of interest form.

Form 990, Part VI, Section B, Line 15:

The executive committee of the Board of Trustees utilizes an outside firm's database of CEO salaries to determine the CEO's compensation. The CEO determines the compensation of other officers or key employees using an outside firm's data to make sure the compensation is market based.

Form 990, Part VI, Section C, Line 19:

The Hospital's governing documents, conflict of interest policy, and financial statements are available upon request.

Form 990, Part XII, Line 2c:

The audit process has not changed from the prior year.







**Part V** Transactions With Related Organizations Complete if the organization answered "Yes" on 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?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities; equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				



