Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

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

OMB No. 1545-0047

2007

Open to Public Inspection

A For the 2007 calendar year, or tax year beginning 4/1/2007 , and ending 3/31/2008

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: PENOBSCOT BAY MEDICAL CENTER

Number and street (or P.O. box if mail is not delivered to street address): 4 White Street | Room/suite

City or town, state or country, and ZIP + 4: Rockland, ME 04841-2953

D Employer identification number 01 0285286

E Telephone number (207) 594-6747

F Accounting method: ☐ Cash ☑ Accrual ☐ Other (specify) ▶

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? ☐ Yes ☐ No (If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☑ No

I Group Exemption Number ▶

G Website: ▶ penbayhealthcare.org

J Organization type (check only one) ▶ ☑ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

K Check here ▶ ☐ if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than $25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

M Check ▶ ☐ if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **187,930,053**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances *(See the instructions.)*

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Contributions to donor advised funds	1a 578,204		
	b	Direct public support (not included on line 1a)	1b 0		
	c	Indirect public support (not included on line 1a)	1c 0		
	d	Government contributions (grants) (not included on line 1a)	1d 0		
	e	**Total** (add lines 1a through 1d) (cash $ 578,204 noncash $ 0)		1e	578,204
	2	Program service revenue including government fees and contracts (from Part VII, line 93)		2	183,495,959
	3	Membership dues and assessments		3	0
	4	Interest on savings and temporary cash investments		4	469,176
	5	Dividends and interest from securities		5	270,108
	6a	Gross rents	6a 262,680		
	b	Less: rental expenses	6b 0		
	c	Net rental income or (loss). Subtract line 6b from line 6a		6c	262,680
	7	Other investment income (describe ▶ See Statement 1)		7	342,040
	8a	Gross amount from sales of assets other than inventory	(A) Securities 123,267 / 8a (B) Other 0		
	b	Less: cost or other basis and sales expenses	100,000 / 8b 6,790		
	c	Gain or (loss) (attach schedule) Stmt 2	23,267 / 8c -6,790		
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)		8d	16,477
	9	Special events and activities (attach schedule). If any amount is from **gaming,** check here ▶ ☐			
	a	Gross revenue (not including $ 0 of contributions reported on line 1b)	9a 0		
	b	Less: direct expenses other than fundraising expenses	9b 0		
	c	Net income or (loss) from special events. Subtract line 9b from line 9a		9c	0
	10a	Gross sales of inventory, less returns and allowances	10a 0		
	b	Less: cost of goods sold	10b 0		
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a		10c	0
	11	Other revenue (from Part VII, line 103)		11	2,388,619
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11		12	187,823,263
Expenses	13	Program services (from line 44, column (B))		13	168,722,828
	14	Management and general (from line 44, column (C))		14	16,487,249
	15	Fundraising (from line 44, column (D))		15	368,435
	16	Payments to affiliates (attach schedule)		16	0
	17	**Total expenses.** Add lines 16 and 44, column (A)		17	185,578,512
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12		18	2,244,751
	19	Net assets or fund balances at beginning of year (from line 73, column (A))		19	53,581,724
	20	Other changes in net assets or fund balances (attach explanation) Stmt 3		20	-311,686
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20		21	55,514,789

Part II **Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. *(See the instructions.)*

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash $ _____ noncash $ _____) If this amount includes foreign grants, check here ▶ ☐	22a	0	0		
22b Other grants and allocations (attach schedule) (cash $ _____ noncash $ _____) If this amount includes foreign grants, check here ▶ ☐	22b	0	0		
23 Specific assistance to individuals (attach schedule) . . . . . **Stmt 4**	23	1,618,905	1,618,905		
24 Benefits paid to or for members (attach schedule)	24	0	0		
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	832,208	679,165	153,043	0
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0	0	0	0
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c	0	0	0	0
26 Salaries and wages of employees not included on lines 25a, b, and c	26	36,559,320	29,836,061	6,723,259	0
27 Pension plan contributions not included on lines 25a, b, and c	27	1,045,671	853,372	192,299	0
28 Employee benefits not included on lines 25a – 27	28	5,527,071	4,510,643	1,016,428	0
29 Payroll taxes	29	2,421,473	1,976,164	445,309	0
30 Professional fundraising fees	30	0	0	0	0
31 Accounting fees	31	44,000	35,908	8,092	0
32 Legal fees	32	45,007	36,730	8,277	0
33 Supplies	33	24,965,446	20,374,300	4,591,146	0
34 Telephone	34	322,964	263,571	59,393	0
35 Postage and shipping	35	104,382	85,186	19,196	0
36 Occupancy	36	2,704,329	2,207,003	497,326	0
37 Equipment rental and maintenance	37	3,059,930	2,497,209	562,721	0
38 Printing and publications	38	340,953	278,252	62,701	0
39 Travel	39	349,849	285,512	64,337	0
40 Conferences, conventions, and meetings . .	40	0	0	0	0
41 Interest	41	1,045,275	853,049	192,226	0
42 Depreciation, depletion, etc. (attach schedule)	42	4,886,257	3,987,674	898,583	0 **Stmt 5**
43 Other expenses not covered above (itemize): **a** See Statement 6	43a	99,705,472	98,344,124	992,913	368,435
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B)–(D), carry these totals to lines 13–15)	44	185,578,512	168,722,828	16,487,249	368,435

Joint Costs. Check ▶ ☐ if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B)** Program services? . ▶ ☐ **Yes** ☑ **No**

If "Yes," enter **(i)** the aggregate amount of these joint costs $ _____; **(ii)** the amount allocated to Program services $ _____; **(iii)** the amount allocated to Management and general $ _____; and **(iv)** the amount allocated to Fundraising $ _____

Part III **Statement of Program Service Accomplishments** *(See the instructions.)*

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ **Acute Care Hospital** All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	**Program Service Expenses** (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a **See Statement 7** (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
b (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
c (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
d (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
e Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services). . . . . ▶	**168,722,828**

Part IV Balance Sheets *(See the instructions.)*

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*

				(A) Beginning of year		(B) End of year
Assets	45	Cash—non-interest-bearing		1,620,784	45	1,454,523
	46	Savings and temporary cash investments		13,293	46	872,077
	47a	Accounts receivable	47a 19,952,053			
	b	Less: allowance for doubtful accounts	47b 6,722,000	10,538,652	47c	13,230,053
	48a	Pledges receivable	48a 0			
	b	Less: allowance for doubtful accounts	48b 0	0	48c	0
	49	Grants receivable		0	49	0
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		0	50a	0
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		0	50b	0
	51a	Other notes and loans receivable (attach schedule) See Statement 8	51a 9,822,598			
	b	Less: allowance for doubtful accounts	51b 0	6,950,718	51c	9,822,598
	52	Inventories for sale or use		1,296,621	52	1,406,195
	53	Prepaid expenses and deferred charges		2,644,920	53	2,114,786
	54a	Investments—publicly-traded securities ▶ ☐ Cost ☑ FMV		15,310,405	54a	20,360,540
	b	Investments—other securities (attach schedule) ▶ ☐ Cost ☐ FMV		0	54b	0
	55a	Investments—land, buildings, and equipment: basis	55a 0			
	b	Less: accumulated depreciation (attach schedule)	55b 0	0	55c	0
	56	Investments—other (attach schedule)		0	56	0
	57a	Land, buildings, and equipment: basis	57a 100,002,231			
	b	Less: accumulated depreciation (attach schedule) Stmt 9	57b 60,443,713	39,402,198	57c	39,558,518
	58	Other assets, including program-related investments (describe ▶ See Statement 10)		5,302,505	58	5,886,542
	59	**Total assets** (must equal line 74). Add lines 45 through 58		83,080,096	59	94,705,832
Liabilities	60	Accounts payable and accrued expenses		9,397,814	60	14,345,319
	61	Grants payable		0	61	0
	62	Deferred revenue		0	62	0
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		0	63	0
	64a	Tax-exempt bond liabilities (attach schedule) See Statement 11		20,100,558	64a	24,824,482
	b	Mortgages and other notes payable (attach schedule) Stmt 12		0	64b	21,242
	65	Other liabilities (describe ▶)		0	65	0
	66	**Total liabilities.** Add lines 60 through 65		29,498,372	66	39,191,043
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here** ▶ ☑ and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted		45,356,498	67	47,564,199
	68	Temporarily restricted		2,304,586	68	2,312,832
	69	Permanently restricted		5,920,640	69	5,637,758
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
	73	**Total net assets or fund balances.** Add lines 67 through 69 **or** lines 70 through 72. (Column (A) **must** equal line 19 and column (B) **must** equal line 21)		53,581,724	73	55,514,789
	74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73		83,080,096	74	94,705,832

Part IV-A **Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** *(See the instructions.)*

a	Total revenue, gains, and other support per audited financial statements			a	110,972,524
b	Amounts included on line **a** but not on Part I, line 12:				
1	Net unrealized gains on investments	b1	225,560		
2	Donated services and use of facilities	b2	0		
3	Recoveries of prior year grants	b3	0		
4	Other (specify): See Statement 13	b4	10,799,288		
	Add lines **b1** through **b4**			b	11,024,848
c	Subtract line **b** from line **a**			c	99,947,676
d	Amounts included on Part I, line 12, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1	0		
2	Other (specify): See Statement 14	d2	87,875,587		
	Add lines **d1** and **d2**			d	87,875,587
e	**Total revenue** (Part I, line 12). Add lines **c** and **d** ▶			e	187,823,263

Part IV-B **Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

a	Total expenses and losses per audited financial statements			a	108,502,213
b	Amounts included on line **a** but not on Part I, line 17:				
1	Donated services and use of facilities	b1	0		
2	Prior year adjustments reported on Part I, line 20	b2	0		
3	Losses reported on Part I, line 20	b3	0		
4	Other (specify): See Statement 15	b4	10,799,288		
	Add lines **b1** through **b4**			b	10,799,288
c	Subtract line **b** from line **a**			c	97,702,925
d	Amounts included on Part I, line 17, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1	0		
2	Other (specify): See Statement 16	d2	87,875,587		
	Add lines **d1** and **d2**			d	87,875,587
e	**Total expenses** (Part I, line 17). Add lines **c** and **d** ▶			e	185,578,512

Part V-A **Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See the instructions.)*

(A) Name and address	**(B)** Title and average hours per week devoted to position	**(C)** Compensation **(If not paid, enter -0-.)**	**(D)** Contributions to employee benefit plans & deferred compensation plans	**(E)** Expense account and other allowances
See Statement 17				

Part V-A **Current Officers, Directors, Trustees, and Key Employees** *(continued)*

			Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 6			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		✔
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." ▶	75c		✔
	If "Yes," attach a statement that includes the information described in the instructions.			
d	Does the organization have a written conflict of interest policy?	75d	✔	

Part V-B **Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	**(B)** Loans and Advances	**(C)** Compensation (if not paid, enter -0-)	**(D)** Contributions to employee benefit plans & deferred compensation plans	**(E)** Expense account and other allowances

Part VI **Other Information** *(See the instructions.)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		✔
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		✔
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		✔
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		✔
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	✔	
b	If "Yes," enter the name of the organization ▶ See Statement 18 and check whether it is ☐ exempt **or** ☐ nonexempt			
81a	Enter direct and indirect political expenditures. (See line 81 instructions.) 81a 0			
b	Did the organization file **Form 1120-POL** for this year?	81b		✔

Part VI Other Information *(continued)*

			Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	✔	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b 0			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✔	
b	Did the organization comply with the disclosure requirements relating to *quid pro quo* contributions?	83b	✔	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		✔
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85	*501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members?	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	85b		
	If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members 85c			
d	Section 162(e) lobbying and political expenditures 85d			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		
86	*501(c)(7) orgs.* Enter: **a** Initiation fees and capital contributions included on line 12 86a			
b	Gross receipts, included on line 12, for public use of club facilities 86b			
87	*501(c)(12) orgs.* Enter: **a** Gross income from members or shareholders 87a			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b			
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a		✔
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI ▶	88b		✔
89a	*501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0			
b	*501(c)(3) and 501(c)(4) orgs.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		✔
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0			
e	*All organizations.* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		✔
f	*All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		✔
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		✔

90a List the states with which a copy of this return is filed ▶ None

b Number of employees employed in the pay period that includes March 12, 2007 (See instructions.) 90b 1291

91a The books are in care of ▶ Lynn E Soucy Telephone no. ▶ 207-594-6747

Located at ▶ 4 White Street, Rockland, ME ZIP + 4 ▶ 04841-2953

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b		✔
	If "Yes," enter the name of the foreign country ▶			
	See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** Report of Foreign Bank and Financial Accounts.			

Part VI Other Information *(continued)*

		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶	91c		✔

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* ***Form 1041*****—**Check here . . . . . ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year . . ▶ | 92 |

Part VII Analysis of Income-Producing Activities *(See the instructions.)*

Note: *Enter gross amounts unless otherwise indicated.*

		Unrelated business income		Excluded by section 512, 513, or 514		(E)
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93	Program service revenue:					
a	**Routine and ancillary services**					**70,363,086**
b	**Cafeteria, pharmacy, child care**					**2,070,051**
c	**Professional services**					**1,644,149**
d						
e						
f	Medicare/Medicaid payments					**109,418,673**
g	Fees and contracts from government agencies					
94	Membership dues and assessments . . .					
95	Interest on savings and temporary cash investments			**41**	**469,176**	
96	Dividends and interest from securities . .			**41**	**270,108**	
97	Net rental income or (loss) from real estate:					
a	debt-financed property					
b	not debt-financed property			**16**	**262,680**	
98	Net rental income or (loss) from personal property					
99	Other investment income					**342,040**
100	Gain or (loss) from sales of assets other than inventory			**26**	**16,477**	
101	Net income or (loss) from special events .					
102	Gross profit or (loss) from sales of inventory					
103	Other revenue: a **Miscellaneous**					**1,962,482**
b	**Assets released fron temporary restrictions**					**426,137**
c						
d						
e						
104	Subtotal (add columns (B), (D), and (E)) .		**0**		**1,018,441**	**186,226,618**
105	**Total** (add line 104, columns (B), (D), and (E)) . . . . . ▶					**187,245,059**

Note: *Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes *(See the instructions.)*

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
	See Statement 19

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)*

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts *(See the instructions.)*

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . ☐ **Yes** ☑ **No**

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ **Yes** ☑ **No**

Note: *If "Yes" to* ***(b),*** *file Form 8870* ***and*** *Form 4720 (see instructions).*

Part XI **Information Regarding Transfers To and From Controlled Entities.** *Complete only if the organization is a controlling organization as defined in section 512(b)(13).*

		Yes	No
106	Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

		Yes	No
107	Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

		Yes	No
108	Did the organization have a binding written contract in effect on August 17, 2007, covering the interest, rents, royalties, and annuities described in question 107 above?		

Please Sign Here

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.

Signature of officer | Date

Maura Kelly, Vice President - Fiscal Services

Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ▶ ☐	Preparer's SSN or PTIN (See Gen. Inst. X)
Firm's name (or yours if self-employed), address, and ZIP + 4	, ,	EIN ▶	
		Phone no. ▶ ( )	

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SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2007

Name of the organization: **PENOBSCOT BAY MEDICAL CENTER**

Employer identification number: **01 0285286**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Karen Backman 4 White Street, Rockland, ME 04841-2953, US	Physician 40	258,732	6,462	0
Nadia Ramdin 4 White Street, Rockland, ME 04841-2953, US	Physician 40	250,957	865	0
Frederick Goggans 4 White Street, Rockland, ME 04841-2953, US	PARC Med Director 40	205,544	5,633	0
Harold von Lonkhuyzen 4 White Street, Rockland, ME 04841-2953, US	Psychiatrist 40	169,419	4,597	0
Simon Eisen 4 White Street, Rockland, ME 04841-2953, US	Director of PARC 40	152,480	4,122	0
Total number of other employees paid over $50,000 ▶	208			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
JOSEPH MANAVOLA MD 10 MOUNTAIN ST, CAMDEN, ME 04843, US	PHYSICIAN SERVICES	153,500
Andrew Filderman MD 4 Glen Cove Drive, Rockport, ME 04856, US	Physician services	119,000
Carl Trynor P O Box 4290, Portland, ME 04112, US	Collections	94,850
ELIZABETH WALL MD 11 WESTWOOD RD, ROCKPORT, ME 04856, US	PHYSICIAN SERVICES	84,541
VICTORIA PEISTRUP MD 76 PLEASANT STREET, NORWAY, ME 04268, US	PHYSICIAN SERVICES	70,660
Total number of others receiving over $50,000 for professional services ▶	8	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over $50,000 for other services ▶	0	

Part III **Statements About Activities** (See page 2 of the instructions.)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► $ 0 (Must equal amounts on line 38, Part VI-A, or line **i** of Part VI-B.)	1		✔
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		✔
b	Lending of money or other extension of credit?	2b		✔
c	Furnishing of goods, services, or facilities?	2c		✔
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	2d		✔
e	Transfer of any part of its income or assets?	2e		✔
3a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a		✔
b	Did the organization have a section 403(b) annuity plan for its employees?	3b		✔
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		✔
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		✔
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		✔
b	Did the organization make any taxable distributions under section 4966?	4b		✔
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		✔
d	Enter the total number of donor advised funds owned at the end of the tax year ►			
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ►			
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ►			0
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ►			0

Part IV **Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

7 ☑ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 ☐ A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ _____

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)

11a ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 ☐ An organization that normally receives: **(1) more than 33⅓%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and **(2) no more than 33⅓%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:

☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total . . . . . ▶					0

14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) ***Use cash method of accounting.***

Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

Calendar year (or fiscal year beginning in) ▶	**(a)** 2006	**(b)** 2005	**(c)** 2004	**(d)** 2003	**(e)** Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18.					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 **Organizations described on lines 10 or 11:** **a** Enter 2% of amount in column (e), line 24 ▶ **26a**

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b**

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ **26c**

d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶ **26d**

e Public support (line 26c minus line 26d total) ▶ **26e**

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** %

27 **Organizations described on line 12:** **a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." **Do not file this list with your return.** Enter the sum of such amounts for each year:

(2006) ..... (2005) ..... (2004) ..... (2003) .....

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2),** enter the sum of these differences (the excess amounts) for each year:

(2006) ..... (2005) ..... (2004) ..... (2003) .....

c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶ **27c**

d Add: Line 27a total _____ and line 27b total _____ ▶ **27d**

e Public support (line 27c total minus line 27d total) ▶ **27e**

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ **27f**

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

Part V **Private School Questionnaire** (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See page 10 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ▶ **a** ☐ if the organization belongs to an affiliated group. Check ▶ **b** ☐ if you checked **"a"** and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for **all** electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	**36**		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	**37**		
38 Total lobbying expenditures (add lines 36 and 37)	**38**		
39 Other exempt purpose expenditures	**39**		
40 Total exempt purpose expenditures (add lines 38 and 39)	**40**		
41 Lobbying nontaxable amount. Enter the amount from the following table—			
If the amount on line 40 is— / **The lobbying nontaxable amount is—**			
Not over $500,000 — 20% of the amount on line 40			
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	**41**		
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			
42 Grassroots nontaxable amount (enter 25% of line 41)	**42**		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	**43**		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	**44**		

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720.*

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 45 through 50 on page 13 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	**(a)** 2007	**(b)** 2006	**(c)** 2005	**(d)** 2004	**(e)** Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B **Lobbying Activity by Nonelecting Public Charities**
(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	**Yes**	**No**	**Amount**
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h.**)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines **c** through **h.**)			0

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 13 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a	Transfers from the reporting organization to a noncharitable exempt organization of:		
(i)	Cash		✔
(ii)	Other assets		✔
b	Other transactions:		
(i)	Sales or exchanges of assets with a noncharitable exempt organization		✔
(ii)	Purchases of assets from a noncharitable exempt organization		✔
(iii)	Rental of facilities, equipment, or other assets		✔
(iv)	Reimbursement arrangements		✔
(v)	Loans or loan guarantees		✔
(vi)	Performance of services or membership or fundraising solicitations		✔
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		✔

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☑ **Yes** ☐ **No**

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
See Statement 20		

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Statement 1
Form: 990
Page: 1
Part: I
Question: 7

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Other Investment Income

Description	Amount
MRI partnership revenue	$342,040.00
Total:	**$342,040.00**

Statement 2
Form: 990
Page: 1
Part: I
Question: 8

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Sales of Assets Other than Inventory

Noninventory Asset

Description:	Property and equipment		
Sold To:	none		
Sales Price:	$0.00	**Date Sold:**	09/30/2007
Expense of Sale:	$0.00	**Date acquired:**	01/02/2000
Cost or value when acquired:	$10,000.00	**How acquired:**	
Depreciation since acquistion:	$3,210.00	Purchase	
Net Sale:	**-$6,790.00**		

Publicly Traded Securities

Description:			
Sold To:			
Sales Price:	$123,267.00	**Date Sold:**	
Expense of Sale:	$0.00	**Date acquired:**	
Cost or value when acquired:	$100,000.00	**How acquired:**	
Depreciation since acquistion:	$0.00		
Net Sale:	**$23,267.00**		

Statement 3
Form: 990
Page: 1
Part: I
Question: 20

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Other changes in Net Assets or Fund Balances

Explanation	Amount
Decrease in Temporarily Restricted Net Assets	-$254,364.00
Decrease in Permanently Restricted net Assets	-$282,882.00
Income related to market appreciation	$82,719.00
Loss on Endowmen fund	-$123,758.00
Market appreciation - Pine Tree Insurance	$266,599.00
Total:	**-$311,686.00**

Statement 4
Form: 990
Page: 2
Part: II
Question: 23

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Specific Assistance to Individuals

Assistance Type	Total Payments
Charity Care	$1,618,905.00
Total:	**$1,618,905.00**

Statement 5
Form: 990
Page: 2
Part: II
Question: 42

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Depreciation and Depletion

Asset	Current Deprec.
Depreciation	$4,886,257.00
Total	**$4,886,257.00**

Statement 6
Form: 990
Page: 2
Part: II
Question: 43

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Attachment listing other expenses for Part II

Description	Total:	Pgm Services	Mgt and General	Fundrasing
Contractural Adj and Doubtful Accts	$92,572,773.00	$92,572,773.00	$0.00	$0.00
Professional Fees	$2,771,930.00	$1,893,737.00	$509,758.00	$368,435.00
Insurance	$1,861,391.00	$1,519,081.00	$342,310.00	$0.00
Health Care Provider Tax	$1,733,502.00	$1,733,502.00	$0.00	$0.00
Nutritional Services	$765,876.00	$625,031.00	$140,845.00	$0.00
Total:	**$99,705,472.00**	**$98,344,124.00**	**$992,913.00**	**$368,435.00**

Statement 7
Form: 990
Page: 3
Part: III
Question:

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Program Services

Achievement	**Pgm. Svc. Exp.**
Inpatient Care: Penobscot Bay Medical Center provides quality medical health care regardless of race, creed, sex, national origin, handicap, age, or ability to pay. Although reimbursement for services rendered is critical to the operation and stability of Penobscot Bay Medical Center, not all individuals possess the abiltiy to purchase essential medical services. Our mission is to serve the community by providing health care services and health care education. In keeping with this hospitals commitment to serve all members of its community, we prodvide free care and/or subsidized care, care to persons covered by governmental programs below cost, and health activities and programs for the community. Penobscot Bay Medical Center served 5,064 inpatients, including newborns, and 150,221 outpatients, including ER visits, during FY 07. Twenty-four hour medical emergency service is provided in the Emergency Room, staffed by full-time attending physicians. Patients are seen regardless of ability to pay. There were 25,605 visits to the Emergency Room during FY 07. Penobscot Bay Medical Center provides care to persons covered by governmental programs at below charge. Recognizing its mission to the community, services are provided to both Medicare and Mainecare patients. To the extent reimbursement is below charge, Penobscot Bay Medical Center recognizes these amounts as contractual adjustments. The unreimbursed costs of prodividing care to these patients was $74,366,820. During FY 7, approxiamately 55% of services were to patients covered by these governmnetnal programs. Additionally, Penobscot Bay Medical Center provided $1,163,075 in charity care to patients not covered by governmental programs. Penobscot Bay Medical Center provides free conference room and meeting room space for a variety of health related groups. These include: Alcoholics Anonymous, Al Anon, Midcoast Cancer Support Group, Crohns Disease Support Group, Heart to Heart, Cardiac Spouse Support Group, Visually Impaired and Blind Support Group, Pediatric Asthma Support Group, Ostomy Group, Midcoast Mastectomy Support Group, Northeast Health Consortium for Integrated Care, CISS Program, Breast Cancer Intervention Project, COMPEER, Mid Coast Coalition for Domestic Abuse, Teen Parenting, Womens and Childrens Community Care Project. Assistance is provided to educators through our work with medical students, student nurses, physical therapy interns, emergency medical technicians, medical records and social service students. Through an agreement with the University of Maine - Orono, our Education and Training Department offers nurses with certificate degrees the opportunity to work toward a baccalaureate degree in this local area. The hospital maintains a research library which is open 24 hours a day and available to the general public. During FY 07 the community contributed approxiamately 15,200 hours toward the common purpose of servicing the health care needs of the community. The value of this contribution is given back to the community through lower costs in both patient services and other wellness programs such as those described above. In an effort to improve inpatient mental health services in the community, Penobscot Bay Medical Center has expanded its Mental Health Unit from six to eighteen beds with the capacity for involuntary admissions, as well as developing programs for patients with the dual diagnosis of mental illness and substance abuse. This expansion is in part a response to the decentralization of mental health services by the State of Maine Department of Mental Health and Mental Retardation. In FY 07 PBMC participated in several community health fairs. At these events, health information and free hearing and cholesterol tests were provided. During the course of the year, more than 20 school and civic groups visited the hospital to learn more about specific employment fields or health services. Health career fairs were organized and held at our local high schools during FY 07. The hospital operates a free physician referral line in order to make sure patients in the community are able to access physicians. PBMC maintains a free speakers bureau as a means of assuring that Midcoast civic groups and residents can access information available through our physicians and professional staff. The Breast Cancer Awareness Project has significantly heightened the awareness of breast cancer in the Midcoast region. PBMC has made arrangements for women in need to receive free or subsidized mammograms. Our community educator has made great strides in providing information on breast health and breast cancer awareness. (0 See above)	$168,722,828.0
Grants and Allocations: **$0.00** **This amount includes foreign grants:** **N/A**	
Total:	**$168,722,828.00**

Statement 8
Form: 990
Page: 4
Part: IV
Question: 51

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Schedule of Other Notes and Loans Receivable

Borrower's Name:	Related organizations
Borrower's Title:	
Original Amount:	$1,500,000.00
Balance Due:	$1,279,310.00
Date of Note:	01/01/2006
Maturity Date:	05/31/2008
Repayment Terms:	monthly
Interest Rate:	0
Security Provided by Borrower:	none
Purpose of Loan:	ongoing activities
Description of Consideration:	none
FMV of Consideration:	$0.00
Relationship of Borrower/Lender:	Related organizations

Borrower's Name:	Estimated third party settlements
Borrower's Title:	
Original Amount:	$8,300,000.00
Balance Due:	$8,300,000.00
Date of Note:	01/01/2002
Maturity Date:	12/31/2010
Repayment Terms:	as soon as possible
Interest Rate:	0
Security Provided by Borrower:	None
Purpose of Loan:	Care for Mainecare patients
Description of Consideration:	None
FMV of Consideration:	$0.00
Relationship of Borrower/Lender:	None

Borrower's Name:	Physician guarantees
Borrower's Title:	
Original Amount:	$350,000.00
Balance Due:	$243,288.00
Date of Note:	
Maturity Date:	
Repayment Terms:	
Interest Rate:	
Security Provided by Borrower:	
Purpose of Loan:	
Description of Consideration:	
FMV of Consideration:	
Relationship of Borrower/Lender:	

Total Due: **$9,822,598.00**

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PENOBSCOT BAY MEDICAL CENTER
01-0285286

Schedule of Land, Buildings and Equipment

Description	Cost	Depreciation	Book Value
Fixed equipment	$19,116,597.00	$13,916,160.00	$5,200,437.00
Major moveable equipment	$35,037,837.00	$24,221,700.00	$10,816,137.00
Land and improvements	$2,699,229.00	$1,554,818.00	$1,144,411.00
Buildings and improvements	$42,096,054.00	$20,751,035.00	$21,345,019.00
Fine art	$56,438.00	$0.00	$56,438.00
Construction in progress	$996,076.00	$0.00	$996,076.00
Total:	**$100,002,231.00**	**$60,443,713.00**	**$39,558,518.00**

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PENOBSCOT BAY MEDICAL CENTER
01-0285286

Other Assets

Asset Description	BOY Amount	EOY Amount
Other investments	$3,831,098.00	$4,135,904.00
Trustee held bond funds	$1,151,173.00	$1,346,089.00
Bond issue costs	$320,234.00	$404,549.00
Total:	**$5,302,505.00**	**$5,886,542.00**

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PENOBSCOT BAY MEDICAL CENTER
01-0285286

Tax Exempt Bond Liabilities

Purpose:	Property & equipment	
Issue Date:	06/15/2004	
Original Amount:	$7,000,000.00	
Amount of issue outstanding:	$6,422,117.00	
Unexpended Proceeds:	$0.00	
Facility used by 3rd Party:	No	
Percent used by 3rd Party:		
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	*If 'Yes', this record will not be included in the total returned to the Form 990:*

Purpose:	Property and equipment	
Issue Date:	11/15/2006	
Original Amount:	$2,050,000.00	
Amount of issue outstanding:	$1,973,748.00	
Unexpended Proceeds:	$0.00	
Facility used by 3rd Party:	No	
Percent used by 3rd Party:		
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	*If 'Yes', this record will not be included in the total returned to the Form 990:*

Purpose:	Property and equipment	
Issue Date:	11/15/2000	
Original Amount:	$2,000,000.00	
Amount of issue outstanding:	$1,415,897.00	
Unexpended Proceeds:	$0.00	
Facility used by 3rd Party:	No	
Percent used by 3rd Party:		
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	*If 'Yes', this record will not be included in the total returned to the Form 990:*

Purpose:	Property and equipment
Issue Date:	11/15/1999
Original Amount:	$8,000,000.00
Amount of issue outstanding:	$4,367,716.00
Unexpended Proceeds:	$0.00
Facility used by 3rd Party:	No

Percent used by 3rd Party:		
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	*If 'Yes', this record will not be included in the total returned to the Form 990:*

Purpose:	Property and equipment	
Issue Date:	06/15/2003	
Original Amount:	$10,000,000.00	
Amount of issue outstanding:	$4,735,184.00	
Unexpended Proceeds:	$0.00	
Facility used by 3rd Party:	No	
Percent used by 3rd Party:		
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	*If 'Yes', this record will not be included in the total returned to the Form 990:*

Purpose:	Property and equipment	
Issue Date:	11/01/2007	
Original Amount:	$6,220,000.00	
Amount of issue outstanding:	$5,909,820.00	
Unexpended Proceeds:	$0.00	
Facility used by 3rd Party:	No	
Percent used by 3rd Party:		
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	*If 'Yes', this record will not be included in the total returned to the Form 990:*

Total Due:	**$24,824,482.00**

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Form: 990
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Part: IV
Question: 64b

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Mortgages and Other Notes Payable

Type:	Non-Mortgage
Lender's Name:	Camden National Bank
Original Amount:	$26,000.00
Balance Due:	$21,242.00
Date of Note:	10/01/2006
Maturity Date:	10/10/2009
Repayment Terms:	monthly
Interest Rate:	7
Security Provided by Borrower:	Equipment
Purpose of Loan:	Purchase equipment
Description of Consideration:	none
FMV of Consideration:	$0.00
Relationship:	None
Total Due:	**$21,242.00**

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Form: 990
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Part: IV-A
Question: b(4)

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Revenue Audit Line b(4)

Description	Amount
EPS and PBPA revenue	$10,799,288.00
Total:	**$10,799,288.00**

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Form: 990
Page: 5
Part: IV-A
Question: d(2)

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Revenue Audit Line d(2)

Description	Amount
Contractual adjustments and free care	$87,875,587.00
Total:	**$87,875,587.00**

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Form: 990
Page: 5
Part: IV-B
Question: b(4)

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Expense Audit Line b(4)

Description	**Amount**
EPS and PBPA expenses	$10,799,288.00
Total:	**$10,799,288.00**

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Page: 5
Part: IV-B
Question: d(2)

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Expense Audit Line d(2)

Description	**Amount**
Contractual adjustments and free care	$87,875,587.00
Total:	**$87,875,587.00**

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Question:

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Officers, Directors, Trustees, and Key Employees

Name and Address	Ave. Hrs/week	Comp.	Benefits	Expenses
Dana Goldsmith	50	$251,584.00	$6,576.00	$0.00
Title: Vice President Addr 1: 4 White Street Addr 2: CSZ: Rockland, ME 04841-2953 Country: United States				
Eric Waters	50	$137,901.00	$0.00	$0.00
Title: Vice President Addr 1: 4 White Street Addr 2: CSZ: Rockland, ME 04841-2953 Country: United States				
Greg Tedford	10	$0.00	$0.00	$0.00
Title: Treasurer Addr 1: 4 White Street Addr 2: CSZ: Rockland, ME 04841-2953 Country: United States				
Jeffrey Herman	50	$171,697.00	$0.00	$0.00
Title: Vice President Addr 1: 4 White Street Addr 2: CSZ: Rockland, ME 04841-2953 Country: United States				
Mark Battista	50	$135,563.00	$277.00	$0.00
Title: Vice President Addr 1: 4 White Street Addr 2: CSZ: Rockland, ME 04841-2953 Country: United States				
Paula Delahanty	50	$135,464.00	$6,062.00	$0.00
Title: Vice President Addr 1: 4 White Street Addr 2: CSZ: Rockland, ME 04841-2953 Country: United States				

Name and Address	Ave. Hrs/week	Comp.	Benefits	Expenses
Bob Fernald	10	$0.00	$0.00	$0.00
Title: Secretary Addr 1: 4 White Street Addr 2: CSZ: Rockland, ME 04841-2953 Country: United States				
TOTALS		**$832,209.00**	**$12,915.00**	**$0.00**

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Form: 990
Page: 6
Part: VI
Question: 80 b

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Related Organizations

Description	Exempt
Northeast Health Foundation	Yes
Emergency Physicians Services	Yes
Pen BayHealthcare	Yes
KnoWalLin Help at Home	Yes
Mid Coast Mental Health Association	Yes
Penobscot Bay Physicians and Associates	Yes
Camden Health CareCenter	Yes
KnoWalLin Home Care & Hospice	Yes
NEH Management Company Inc	No

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Form: 990
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Part: VIII
Question:

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Relationship of Activities

Line No	Relationship of Activities to the Accomplishment of Exempt Purposes
93 c	Professional services
93 a	Routine and ancillary services
93 b	Cafeteria, pharmacy, child care
93 f	Medicare and Mainecare payments for services
103 a	Miscellaneous
103 b	Assets released from temporary restrictions
99	MRI partnership revenue

Statement 20
Form: Schedule A
Page: 7
Part: VII
Question: 52 b

PENOBSCOT BAY MEDICAL CENTER
01-0285286

Relationships with Noncharitable Exempt Organizations

Name of Organization	Type
Northeast Health Foundation Common parent	501(c)(3)
Penobscot Bay Physicians and Associates Commonn parent	501(c)(3)
NEH Management Company Inc Common parent	Corporation
Kno-Wal-Lin Help at Home Common Parent	501(c)(3)
Camden Health Care Center Common parent	501(c)(3)
Mid-Coast Mental Health Association Common parent	501(c)(3)
Kno-Wal-Lin Home Care and Hospice Common parent	501(c)(3)
Emergency Physicians Associates Common parent	501(c)(3)
Pen Bay Healthcare Parent	501(c)(3)