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Form 990

AMENDED RETURN

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

A For the 2007 calendar year, or tax year beginning 07/01, 2007, and ending 06/30/2008

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☒ Amended return ☐ Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization CHESTER RIVER HEALTH FOUNDATION, INC.	D Employer identification number 52-1338861
		Number and street (or P O box if mail is not delivered to street address) Room/suite 100 BROWN STREET	E Telephone number (410) 778-3300
		City or town, state or country, and ZIP + 4 CHESTERTOWN, MD 21620	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).	
G Website: ▶ WWW.CHESTERRIVERHEALTH.ORG		H and I are not applicable to section 527 organizations	
J Organization type (check only one) ☒ 501(c)(3) () (insert no) ☐ 4947(a)(1) or ☐ 527		H(a) Is this a group return for affiliates? ☐ Yes ☒ No	
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.		H(b) If "Yes," enter number of affiliates ☐ N/A	
		H(c) Are all affiliates included? (If "No," attach a list. See instructions.) ☐ Yes ☐ No	
		H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No	
		I Group Exemption Number ▶	
		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 ▶ 2,545,258.

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	
	b Direct public support (not included on line 1a)	1b	2,490,021.
	c Indirect public support (not included on line 1a)	1c	
	d Government contributions (grants) (not included on line 1a)	1d	
	e Total (add lines 1a through 1d) (cash \$ 383,021. noncash \$ 2,107,000.)	1e	2,490,021.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	
	3 Membership dues and assessments	3	
	4 Interest on savings and temporary cash investments	4	25,348.
	5 Dividends and interest from securities	5	
	6a Gross rents	6a	
	b Less rental expenses	6b	
	c Net rental income or (loss). Subtract line 6b from line 6a.	6c	
	7 Other investment income (describe ▶)	7	
	8a Gross amount from sales of assets other than inventory	(A) Securities 8a	(B) Other 8a
	b Less cost or other basis and sales expenses	8b	
	c Gain or (loss) (attach schedule)	8c	
d Net gain or (loss). Combine line 8c, columns (A) and (B)	8d		
9 Special events and activities (attach schedule). If any amount is from gaming, check here ☐			
a Gross revenue (not including \$ 108,083. of STMT 2 contributions reported on line 1b).	9a	29,889.	
b Less direct expenses other than fundraising expenses	9b	48,983.	
c Net income or (loss) from special events. Subtract line 9b from line 9a	9c	-19,094.	
10a Gross sales of inventory, less returns and allowances	10a		
b Less cost of goods sold	10b		
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c		
11 Other revenue (from Part VII, line 103)	11		
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	2,496,275.	
Expenses	13 Program services (from line 44, column (B))	13	245,801.
	14 Management and general (from line 44, column (C))	14	37,461.
	15 Fundraising (from line 44, column (D))	15	NONE
	16 Payments to affiliates (attach schedule)	16	
	17 Total expenses. Add lines 13 and 14, column (A)	17	283,262.
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18	2,213,013.
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	993,508.
	20 Other changes in net assets or fund balances (attach explanation) STMT 4	20	1,736,112.
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	4,942,633.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2007)

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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			
22b Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here ☐	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a NONE			
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b			
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			
26 Salaries and wages of employees not included on lines 25a, b, and c	26			
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28			
29 Payroll taxes	29			
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34			
35 Postage and shipping	35			
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38			
39 Travel	39 544.	NONE	544.	NONE
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42			
43 Other expenses not covered above (itemize)				
a PROFESSIONAL FEES	43a 64,114.	45,521.	18,593.	NONE
b PURCHASED SERVICES	43b 42,155.	29,930.	12,225.	NONE
c OFFICES EXPENSES	43c 12,549.	12,549.	NONE	NONE
d DUES & SUBSCRIPTIONS	43d 400.	284.	116.	NONE
e MISCELLANEOUS EXPENSE	43e 78,786.	72,803.	5,983.	NONE
f CONTRIBUTION BAD DEBT	43f 57,146.	57,146.	NONE	NONE
g RELEASED ASSET	43g 27,568.	27,568.	NONE	NONE
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	44 283,262.	245,801.	37,461.	NONE

Joint Costs. Check ☐ if you are following SOP 98-2Are 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? SEE STATEMENT 5		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a THE ORGANIZATION RAISES FUNDS TO SUPPORT PATIENT SERVICES AT CHESTER RIVER HOPITAL CENTER, CHESTER RIVER HOME CARE & HOSPICE, AND CHESTER RIVER MANOR. (Grants and allocations \$) If this amount includes foreign grants, check here ☐		245,801.
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)		245,801.

Form 990 (2007)

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	877,605.	45	567,936.
	46 Savings and temporary cash investments	375,328.	46	538,218.
	47a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54a Investments - publicly-traded securities STMT 6	93,887.	54a	59,274.
	b Investments - other securities (attach schedule)	NONE	54b	1,488,934.
	55a Investments - land, buildings, and equipment basis	2,462,975.	STMT 7	
	b Less accumulated depreciation (attach schedule)		NONE	2,462,975.
	56 Investments - other (attach schedule)		56	
	57a Land, buildings, and equipment basis	13,564.		
b Less accumulated depreciation (attach schedule)	13,564.	6,768.	57c	
58 Other assets, including program-related investments (describe)	158,968.	58	NONE	
59 Total assets (must equal line 74) Add lines 45 through 58	1,512,556.	59	5,117,337.	
Liabilities	60 Accounts payable and accrued expenses	NONE	60	1,214.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe STMT 9)	519,048.	65	173,490.
66 Total liabilities. Add lines 60 through 65	519,048.	66	174,704.	
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	878,047.	67	3,394,425.
	68 Temporarily restricted	91,473.	68	217,413.
	69 Permanently restricted	23,988.	69	1,330,795.
	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)	993,508.	73	4,942,633.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,512,556.	74	5,117,337.

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	2,515,369.
b	Amounts included on line a but not on Part I, line 12	b	
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify) <u>SEE STATEMENT 10</u>	b4	19,094.
	Add lines b1 through b4	b	19,094.
c	Subtract line b from line a	c	2,496,275.
d	Amounts included on Part I, line 12, but not on line a:	d	
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12) Add lines c and d	e	2,496,275.

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

a	Total expenses and losses per audited financial statements	a	283,262.
b	Amounts included on line a but not on Part I, line 17		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify) -----	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	283,262.
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) -----	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	e	283,262

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)

[illegible]

Yes	No
-----	----

111

75b		X
-----	--	---

75c	X	
-----	---	--

75d	X	
-----	---	--

Yes	No
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76		X
----	--	---

77		X
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78a		X
-----	--	---

78b	N/A
-----	-----

79		X
----	--	---

80a	X	
-----	---	--

STMT_15

☒ exempt or ☒ nonexempt

81a	NONE
-----	------

81b	X
-----	---

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?		X
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 N/A		
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84a Did the organization solicit any contributions or gifts that were not tax deductible?		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85a 501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
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 N/A		
d Section 162(e) lobbying and political expenditures 85d N/A		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A		
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
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?	N/A	
86 501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12 86a N/A		
b Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87 501(c)(12) orgs Enter a Gross income from members or shareholders 87a N/A		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them) 87b N/A		
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		X
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		X
89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ NONE, section 4912 ▶ NONE, section 4955 ▶ NONE		
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		X
c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ NONE		
d Enter Amount of tax on line 89c, above, reimbursed by the organization ▶ NONE		
e All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
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?	N/A	
90a List the states with which a copy of this return is filed ▶		
b Number of employees employed in the pay period that includes March 12, 2007 (See instructions) 90b NONE		
91a The books are in care of ▶ FINANCE DEPARTMENT Telephone no ▶ 410-778-3300		
Located at ▶ 100 BROWN STREET, CHESTERTOWN, MD ZIP +4 ▶ 21620		
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)?		X
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? **91c** ☐ ☒

If "Yes," enter the name of the foreign country ▶ _____

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** NONE**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) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	25,348.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			02	-19,094.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				6,254.	
105 Total (add line 104, columns (B), (D), and (E))					6,254.

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)

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).

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.

Yes	No
	X

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

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.

Yes	No
	X

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

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

**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: Samuel P. Marinelli Date: 12/1/2009
Type or print name and title: Samuel P. Marinelli VP For Finance / CFO

**Paid
Preparer's
Use Only**

Preparer's signature: [Signature] Date: 11/23/09 Check if self-employed: ☐
Firm's name (or yours if self-employed), address, and ZIP + 4: KPMG LLP EIN: P00451522
2100 DOMINION TOWER Phone no: 13-5565207
NORFOLK, VA 2510-3310 757-616-7000

Form 990 (2007)

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

CHESTER RIVER HEALTH FOUNDATION, INC.

Employer identification number

52-1338861

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 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
NONE				
Total number of other employees paid over \$50,000 . . ▶		NONE		

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
NONE		
Total number of others receiving over \$50,000 for professional services ▶		NONE

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 ▶		NONE

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

Schedule A (Form 990 or 990-EZ) 2007

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 ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	1		X
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		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d		X
e	Transfer of any part of its income or assets?	2e		X
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		X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b		X
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		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		X
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 rights to provide advice on the distribution or investment of amounts in such funds or accounts ► _____			NONE
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____			NONE

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 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)(v). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (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 8 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					▶

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

Schedule A (Form 990 or 990-EZ) 2007

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)	360,889.	723,339.	145,339.	97,774.	1,327,341.
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, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975.	6,270.	4,435.	4,087.	6,540.	21,332.
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	STMT 16 55,000.	NONE	58,795.	59,952.	173,747.
23 Total of lines 15 through 22	422,159.	727,774.	208,221.	164,266.	1,522,420.
24 Line 23 minus line 17.	422,159.	727,774.	208,221.	164,266.	1,522,420.
25 Enter 1% of line 23	4,222.	7,278.	2,082.	1,643.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a 30,448.
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 389,208.
c Total support for section 509(a)(1) test. Enter line 24, column (e) ▶					26c 1,522,420.
d Add Amounts from column (e) for lines 18 <u>21,332.</u> 19 <u> </u> 22 <u>173,747.</u> 26b <u>389,208.</u> ▶					26d 584,287.
e Public support (line 26c minus line 26d total) ▶					26e 938,133.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 61.6212 %
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 NOT APPLICABLE (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.)

NOT APPLICABLE

(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? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement.) ----- ----- -----	31	
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.) ----- ----- -----		
34 a	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? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
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 11 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**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 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	41		
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**NOT APPLICABLE**

(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.)			

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

FORM 990 - GENERAL EXPLANATION ATTACHMENT
=====FIXED ASSET DETAIL
FORM 990, PART IV, LINES 57A & 57B

MAJOR MOVABLE EQUIPMENT	\$ 13,564
LESS: ACCUMULATED DEPRECIATION	(13,564) -----
NET FIXED ASSETS	\$ 0 =====

FORM 990, PART I - EXCLUDED CONTRIBUTIONS
=====

DESCRIPTION -----	AMOUNT -----
GOLF	72,197.
SPORTING CLAYS	35,886.

TOTAL	108,083.
	=====

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

DESCRIPTION	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
GOLF	16,137.	28,379.	-12,242.
SPORTING CLAYS	13,752.	20,604.	-6,852.
TOTALS	29,889.	48,983.	-19,094.

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====DESCRIPTION
-----AMOUNT

TRANSFER OF NET ASSETS FROM HOSPITAL TO
FOUNDATION
SPECIAL EVENTS

1,717,018.
19,094.

TOTAL

1,736,112.
=====

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE
=====

THE ORGANIZATION RAISES FUNDS TO SUPPORT PATIENT SERVICES AT CHESTER RIVER HOPITAL CENTER, CHESTER RIVER HOME CARE & HOSPICE, AND CHESTER RIVER MANOR.

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	COST OR FMV -----
ENDOWMENT	93,887.	59,274.	FMV
	-----	-----	
TOTALS	93,887.	59,274.	
	=====	=====	

FORM 990, PART IV - INVESTMENTS - OTHER SECURITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	COST OR FMV -----
SECURITIES	NONE	1,488,934.	FMV
	-----	-----	
TOTALS	NONE	1,488,934.	
	=====	=====	

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
TOTALS	----- 158,968. =====	----- NONE =====

CHESTER RIVER HEALTH FOUNDATION, INC.

52-1338861

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
DUE TO AFFILIATES	519,048.	48,651.
OTHER LONG TERM LIABILITIES	NONE	124,839.
	-----	-----
TOTALS	519,048.	173,490.
	=====	=====

CHESTER RIVER HEALTH FOUNDATION, INC.

52-1338861

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION

AMOUNT

SPECIAL EVENTS NET LOSS

19,094.

TOTAL

19,094.

=====

CHESTER RIVER HEALTH FOUNDATION, INC.

52-1338861

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
WILLIAM R KIRK 100 BROWN STREET CHESTERTOWN, MD 21620	PRESIDENT & CEO 2.00	NONE	NONE	NONE
ROBIN KLINEFELTER 100 BROWN STREET CHESTERTOWN, MD 21620	SECRETARY 40.00	NONE	NONE	NONE
ROBERT N CLEAVER 100 BROWN STREET CHESTERTOWN, MD 21620	CHAIR 1.00	NONE	NONE	NONE
MARTHA Y HAWKINS 100 BROWN STREET CHESTERTOWN, MD 21620	VICE CHAIR 0.50	NONE	NONE	NONE
JUDIE BARROLL 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.50	NONE	NONE	NONE
R STEWART BARROLL 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.50	NONE	NONE	NONE
CONNIE GODWIN	DIRECTOR 0.50	NONE	NONE	NONE

CHESTER RIVER HEALTH FOUNDATION, INC.

52-1338861

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
100 BROWN STREET CHESTERTOWN, MD 21620				
KIRK HELFENBEIN 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.50	NONE	NONE	NONE
STACEY E HICKMAN 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.50	NONE	NONE	NONE
MATTHEW HOGANS 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.50	NONE	NONE	NONE
JANE E HUKILL 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.50	NONE	NONE	NONE
FRANCES W MILLER 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.50	NONE	NONE	NONE
KARA A WILKINSON 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.50	NONE	NONE	NONE

CHESTER RIVER HEALTH FOUNDATION, INC.

52-1338861

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES
=====

NAME AND ADDRESS -----	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
JUDIE WILLOCK 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.50	NONE	NONE	NONE
WAYNE L GARDNER 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.10	NONE	NONE	NONE
PATRICK J SHANAHAN 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.10	NONE	NONE	NONE
DORIS WINTER 100 BROWN STREET CHESTERTOWN, MD 21620	DIRECTOR 0.10	NONE	NONE	NONE
GRAND TOTALS				
		NONE	NONE	NONE

CHESTER RIVER HEALTH FOUNDATION, INC.

52-1338861

FORM 990, PART V-A COMPENSATION PROVIDED BY RELATED ORGANIZATION
=====

NAME, ORGANIZATION NAME, RELATIONSHIP	EMPLOYER ID #	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
WILLIAM R KIRK				
CHESTER RIVER HOSPITAL CENTER	52-0679694	428,045.	40,316.	NONE
AFFILIATE				
ROBIN KLINEFELTER				
CHESTER RIVER HOSPITAL CENTER	52-0679694	187,976.	31,478.	NONE
AFFILIATE				
GRAND TOTALS		616,021.	71,794.	NONE
		=====	=====	=====

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS
=====

RELATED ORGANIZATION NAME: CHESTER RIVER HOSPITAL CENTER

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: CHESTER RIVER MANOR, INC.

EXEMPT: X NONEXEMPT:

. RELATED ORGANIZATION NAME: CHESTER RIVER HEALTH SYSTEM, INC.

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: CHESTER RIVER HOME CARE & HOSPICE LLC

EXEMPT: NONEXEMPT: X

SCHEDULE A, PART IV-A - OTHER INCOME
=====

DESCRIPTION -----	2006 ----	2005 ----	2004 ----	2003 ----	TOTAL -----
GAIN ON SALE OF INVESTMENT	NONE	NONE	NONE	NONE	NONE
SPECIAL EVENTS INCOME	NONE	NONE	58,795.	59,952.	118,747.
MISCELLANEOUS INCOME	NONE	NONE	NONE	NONE	NONE
TOTALS	NONE	NONE	58,795.	59,952.	118,747.
	=====	=====	=====	=====	=====