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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

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009

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
Shore Health System Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
219 S Washington St

City or town, state or country, and ZIP + 4
Easton, MD 21601

D Employer identification number
52-0610538

E Telephone number
(410) 822-1000

G Gross receipts $ 214,968,653

F Name and address of Principal Officer
JOSEPH ROSS CEO
219 SOUTH WASHINGTON STREET
EASTON, MD 21601

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

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

H(c) Group Exemption Number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Web site: ▶ www shorehealth org

K Type of organization ☑ Corporation ☐ trust ☐ association ☐ other ▶

L Year of Formation 1906

M State of legal domicile MD

Part I Summary

1 Briefly describe the organization's mission or most significant activities

SHORE HEALTH SYSTEM IS A REGIONAL, NOT-FOR-PROFIT NETWORK OF INPATIENT AND OUTPATIENT SERVICES WITH FACILITIES IN TALBOT, DORCHESTER, CAROLINE, AND QUEEN ANNE'S COUNTIES

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	3	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12
5	Total number of employees (Part V, line 2a)	5	1,943
6	Total number of volunteers (estimate if necessary)	6	676
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	7,529,502
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-2,217,980

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	5,174,056	1,598,236
9	Program service revenue (Part VIII, line 2g)	197,904,464	212,211,053
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-1,856,816	-6,265,334
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-5,725,316	199,445
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	195,496,388	207,743,400
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	96,198,389	100,537,006
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	(Total fundraising expenses, Part IX, column (D), line 25 0)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	100,036,845	115,197,490
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	196,235,234	215,734,496
19	Revenue less expenses Subtract line 18 from line 12	-738,846	-7,991,096

		Beginning of Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	266,980,806	255,112,703
21	Total liabilities (Part X, line 26)	113,537,547	116,743,181
22	Net assets or fund balances Subtract line 21 from line 20	153,443,259	138,369,522

Part II Signature Block

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

Please Sign Here

Signature of officer — Date: 2010-05-13

WALTER J ZAJAC SVP-FINANCE/CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-empolyed ▶ ☐ | Preparer's PTIN (See Gen Inst)

Firm's name (or yours if self-employed), address, and ZIP + 4: KPMG LLP, 1660 INTERNATIONAL DRIVE, MCLEAN, VA 221024848

EIN ▶

Phone no ▶ (703) 286-8000

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

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

1 Briefly describe the organization's mission

SHORE HEALTH SYSTEM IS A REGIONAL, NOT-FOR-PROFIT NETWORK OF INPATIENT AND OUTPATIENT SERVICES WITH FACILITIES IN TALBOT, DORCHESTER, CAROLINE, AND QUEEN ANNE'S COUNTIES

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 203,166,728 including grants of $) (Revenue $ 212,211,053)

Shore Health System, Inc is a 212 licensed bed community hospital providing a full range of inpatient and outpatient clinical services to the Maryland Mid-Shore area, including general hospital, emergency, and specialized services as well as outpatient centers for primary care, diagnostics, treatment, education, and rehabilitation The System offers free education programs and services to promote health awareness in the community During FY 2009, the System provided care for 14,918 inpatients resulting in 54,594 days of patient care, treated 57,635 patients in the ER, and performed 14,937 surgeries in the OR The System's ancillary service departments realized 339,390 outpatient encounters Home Health/Hospice services were provided to 1,901 patients in 31,343 nursing visits The Systems mission statement is "to excel in quality care and patient satisfaction" Its strategic principle is "Exceptional Care, every day", and its values statement is "Every interaction with another is an opportunity to care" As a part of its mission, the System provides charity care to patients unable to pay, providing $4 3 million of Charity Care in FY 2009

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses $ 203,166,728 *Must equal Part IX, Line 25, column (B).*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	Yes	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No

Part IV Checklist of Required Schedules *(Continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV* .	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	192		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	1,943		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? **Note:** *If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.*	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	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.*				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, *Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?*	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	*Organizations that may receive deductible contributions under section 170(c).*				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of $75 or more?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			No
9	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.*				
a	Did the organization make any taxable distributions under section 4966?	9a			No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			No
10	*Section 501(c)(7) organizations.* Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	*Section 4947(a)(1) non-exempt charitable trusts.* Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

Part VI **Governance, Management, and Disclosure** ***(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)***

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body . .	1a 17		
b	Enter the number of voting members that are independent . .	1b 12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . .	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	the governing body?	8a	Yes	
b	each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	Yes	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	11		No

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No", go to line 13* . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision			
a	The organization's CEO, Executive Director, or top management official?	15a	Yes	
b	Other officers or key employees of the organization?	15b	Yes	
	Describe the process in Schedule O			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed MD

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ own website ☐ another's website ☑ upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

WALTER ZAJAC CFO
219 SOUTH WASHINGTON STREET
EASTON, MD 21601
(410) 822-1000

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

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

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed
* List all of the organization's **current** officers, directors, trustees (whether individuals or organizations) and key employees regardless of amount of compensation, and current key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

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

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

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

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

☐ Check this box if the organization did not compensate any officer, director, trustee or key employee

(A) Name and Title	**(B)** Average hours per week	**(C)** Position (check all that apply)						**(D)** Reportable compensation from the organization (W-2/1099MISC)	**(E)** Reportable compensation from related organizations (W- 2/1099-MISC)	**(F)** Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total ▶								3,145,253	886,842	555,346

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 53

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Willow Construction 400 Maryland Avenue Easton, MD 21601	CONSTRUCTION	1,359,600
EAGLE HOSPITAL PHYSICIANS LLC 5901C PEACHTREE DUNWOODY RD ATLANTA, GA 30328	PHYSICIAN	3,148,272
Tidewater Anesthesia Associates PA PO BOX 1208 Easton, MD 21601	PHYSICIANS	798,352
Innovative Health Services LLC PO Box 778 Easton, MD 21601	BENEFITS ADMIN	707,720
MEDICUS ANESTHESIA PHYSICIAN SERVIC 7 INDUSTRIAL WAY UNIT 5 SALEM, NH 03079	PHYSICIAN	523,233

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 24

Part VIII Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c 75,008				
	d	Related organizations 1d 1,103,243				
	e	Government grants (contributions) 1e 229,314				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 190,671				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total (Add lines 1a-1f)** ▶	1,598,236			
Program Service Revenue		Business Code				
	2a	PATIENT SERVICE REVENUE 621,500	212,211,053	204,681,551	7,529,502	
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total. Add lines 2a-2f** ▶ $ 212,211,053				
Other Revenue	3	Investment income (including dividends, interest other similar amounts) ▶	934,000			934,000
	4	Income from investment of tax-exempt bond proceeds ▶	0			
	5	Royalties ▶	0			
		(i) Real / (ii) Personal				
	6a	Gross Rents 159,566				
	b	Less rental expenses				
	c	Rental income or (loss) 159,566				
	d	Net rental income or (loss) ▶	159,566			159,566
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory				
	b	Less cost or other basis and sales expenses 7,199,334				
	c	Gain or (loss) -7,199,334				
	d	Net gain or (loss) ▶	-7,199,334			-7,199,334
	8a	Gross income from fundraising events (not including $ 14,274 of contributions reported on line 1c) See Part IV, line 18 *Attach Schedule G if total exceeds $15,000* a 75,008				
	b	Less direct expenses b 25,919				
	c	Net income or (loss) from fundraising events ▶	-11,645			-11,645
	9a	Gross income from gaming activities See part IV, line 19 *Complete Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities ▶	0			
	10a	Gross sales of inventory, less returns and allowances a				
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory ▶	0			
		Miscellaneous Revenue / Business Code				
	11a	JOINT VENTURE REVENUE 900,099	51,524	51,524		
	b					
	c					
	d	All other revenue				
	e	**Total. Add lines 11a-11d** ▶ $ 51,524				
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	207,743,400	204,733,075	7,529,502	-6,117,413

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,397,128	2,308,172	88,956	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	76,140,584	69,959,492		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,801,841	1,655,567	146,274	
9	Other employee benefits	14,622,232	13,435,199	1,187,033	
10	Payroll taxes	5,575,221	5,122,625	452,596	
11	Fees for services (non-employees)				
a	Management	101,667		101,667	
b	Legal	310,513	12,829	297,684	
c	Accounting	93,925	9,680	84,245	
d	Lobbying	13,563	13,563		
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	20,604,720	18,837,523	1,767,197	
12	Advertising and promotion	839,306	839,306		
13	Office expenses	10,581,475	10,421,580	159,895	
14	Information technology	3,901,892	3,901,892		
15	Royalties . .	0			
16	Occupancy	5,343,192	5,343,192		
17	Travel	548,518	403,777	144,741	
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19	Conferences, conventions and meetings	0			
20	Interest	2,277,914	2,137,571	140,343	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	12,960,349	12,161,856	798,493	
23	Insurance	2,917,390	2,764,308	153,082	
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	BAD DEBT	10,980,157	10,980,157		0
b	COST OF GOODS SOLD	21,465,228	21,465,228		0
c	LOSS FROM SUBSIDIARIES	10,538,668	10,538,668		0
d	EXPENDITURES FOR FUND PURPOSES	254,950	254,950		
e	EQUIPMENT RENTAL AND MAINTENAN	8,055,402	7,748,953	306,449	
f	All other expenses	3,408,661	2,850,640	558,021	0
25	**Total functional expenses.** Add lines 1 through 24f	215,734,496	203,166,728	12,567,768	0
26	**Joint Costs.** Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	102,425	1	97,460
	2	Savings and temporary cash investments	10,672,680	2	19,595,717
	3	Pledges and grants receivable, net	150,000	3	50,000
	4	Accounts receivable, net	25,777,188	4	22,538,621
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties *Complete Part II of Schedule L*		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) *Complete Part II of Schedule L*		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	3,854,646	8	3,819,051
	9	Prepaid expenses and deferred charges	902,934	9	644,701
	10a	Land, buildings, and equipment cost basis — 10a: 249,725,226			
	b	Less accumulated depreciation *Complete Part VI of Schedule D* — 10b: 143,446,022	99,795,813	10c	106,279,204
	11	Investments—publicly traded securities	17,517,146	11	10,277,372
	12	Investments—other securities See Part IV, line 11 *Complete Part VII of Schedule D*		12	
	13	Investments—program-related See Part IV, line 11 *Complete Part VIII of Schedule D*		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*	108,207,974	15	91,810,577
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*	266,980,806	16	255,112,703
Liabilities	17	Accounts payable and accrued expenses	18,470,323	17	20,191,390
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	0	20	0
	21	Escrow account liability *Complete Part IV of Schedule D*		21	
	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		22	
	23	Secured mortgages and notes payable to unrelated third parties	767,789	23	1,366,485
	24	Unsecured notes and loans payable		24	
	25	Other liabilities *Complete Part X of Schedule D*	94,299,435	25	95,185,306
	26	**Total liabilities.** *Add lines 17 through 25*	113,537,547	26	116,743,181
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	132,141,211	27	120,333,171
	28	Temporarily restricted net assets	9,840,414	28	7,193,378
	29	Permanently restricted net assets	11,461,634	29	10,842,973
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	153,443,259	33	138,369,522
	34	Total liabilities and net assets/fund balances	266,980,806	34	255,112,703

Part XI Financial Statements and Reporting

				Yes	No
1	Accounting method used to prepare the Form 990	☐ cash ☑ accrual ☐ other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		No
b	Were the organization's financial statements audited by an independent accountant?		2b		No
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits?		3b	Yes	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Shore Health System Inc

Employer identification number
52-0610538

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

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

2 ☐ A school described in **Section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii).** (Attach Schedule H)

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

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

6 ☐ A federal, state, or local government or governmental unit described in **Section 170(b)(1)(A)(v).**

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

8 ☐ A community trust described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **Section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **Section 509(a)(4).** (See instructions)

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally Integrated **d** ☐ Type III - Other

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

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

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

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the organizations the organization supports

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

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 **Public Support** subtract line 5 from line 4						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total Support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f **15**

16a **33 1/3% Test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% Test - 2007.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

17a **10% Facts and Circumstances Test - 2008.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

b **10% Facts and Circumstances Test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

18 **Private Foundation.** If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶

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

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Total of lines 7a and 7b						
8 **Public Support** (Substract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total Support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ☐

Computation of Public Support Percentage

15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15
16	Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16

Computation of Investment Income Percentage

17	Investment Income Percentage for **2008** (line 10c column (f) divided by line 13 column (f))	17
18	Investment Income Percentage from **2007** Schedule A, Part IV-A, line 27h	18

19a **33 1/3% Tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3% Tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ☐

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

Facts and Circumstances Test

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

OMB No 1545-0047

2008

Open to Public Inspection

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

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

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

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

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax)

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

Name of the organization	Employer identification number
Shore Health System Inc	52-0610538

Part I-A **To be completed by all organizations exempt under section 501(c) and section 527 organizations.** (See the instructions for Schedule C for details.)

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

Part I-B **To be completed by all organizations exempt under section 501(c)(3).** (See the instructions for Schedule C for details.)

1	Enter the amount of any excise tax incurred by the organization under section 4955	$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	$
3	If the organization incurred in a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If "Yes," describe in Part IV	

Part I-C **To be completed by all organizations exempt under section 501(c), except section 501(c)(3).** (See the instructions for Schedule C for details.)

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	$
2	Enter the amount of the filing organization's internal funds contributed to other organizations for section 527 exempt funtion activities	$
3	Total of direct and indirect exempt function expenditures Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b	$
4	Did the filing organization file **Form 1120-POL** for this year?	☐ Yes ☐ No

5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobbying expenditures to influence a legislative body (direct lobbying)		
c	Total lobbying expenditures (add lines 1a and 1b)		
d	Other exempt purpose expenditures		
e	Total exempt purpose expenditures (add lines 1c and 1d)		
f	Lobbying nontaxable amount Enter the amount from the following table in both columns—		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

g	Grassroots nontaxable amount (enter 25% of line 1f)		
h	Subtract line 1g from line 1a Enter -0- if line g is more than line a		
i	Subtract line 1f from line 1c Enter -0- if line f is more than line c		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☑ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines c through i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
i	Other activities If "Yes," describe in Part IV	Yes		13,563
j	Total lines 1c through 1i			13,563
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes" enter the amount of any tax incurred under section 4912			
c	If "Yes" enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** (See the instructions for Schedule C for details.)

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

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** (See the instructions for Schedule C for details.)

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

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i Also, complete this part for any additional information

Identifier	Return Reference	Explanation
LOBBYING EXPENDITURES		The organization does not engage in any direct lobbying activities The organization pays membership dues to the Maryland Hospital Association (MHA) and the American Hospital Association (AHA) MHA and AHA engage in many support activities including lobbying and advocating for their member hospitals The MHA and AHA reported that 14 51% and 26 13% respectively of member dues were used for lobbying purposes and as such, the organization has reported this amount on Schedule C part II-B line 1i as lobbying activities

Part IV Supplemental Information

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Shore Health System Inc

Employer identification number
52-0610538

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate Contributions to (during year)		
3	Aggregate Grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

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

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

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

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

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

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

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

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

(ii) Assets included in Form 990, Part X ▶ $

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

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

b Assets included in Form 990, Part X ▶ $

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

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

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

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

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

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

b If "Yes," explain why in Part XIV and complete the following table

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

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

b If "Yes," explain the arrangement in Part XIV

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	2,404,542				
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	2,404,542				

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 100 %
- c Term endowment ▶

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	424,868	2,874,541		3,299,409
b Buildings		102,378,520	35,052,832	67,325,688
c Leasehold improvements				
d Equipment		143,842,233	108,393,190	35,449,043
e Other		205,064		205,064
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				106,279,204

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or cateory (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
ASSETS WHOSE USE IS LIMITED	33,309,882
OTHER RECEIVABLES	12,827,315
ASSETS OF RELATED ORGANIZATION	37,380,895
OTHER ASSETS	8,016,485
CURRENT POSITION	276,000
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	91,810,577

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of Liability	(b) Amount
Federal Income Taxes	
ADVANCES FROM 3RD PARTY PAYORS	4,412,400
OTHER LIABILITIES	11,525,974
DUE TO UMMS	79,246,932
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	95,185,306

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
FIN 48 FOOTNOTE PER AUDIT REPORT		The organization is a subsidiary of University of Maryland Medical System Corporation (the Corporation) The Corporation adopted the provisions of FASB Interpretation No 48, Accounting for Uncertainty in Income Taxes (FIN 48), on July 1, 2007 FIN 48 prescribes a threshold of more-likely-than-not for recognition and derecognition of tax positions taken or expected to be taken in a tax return FIN 48 also recognizes related guidance on measurement, classification, interest and penalties, and disclosure The implementation of FIN 48 did not have a significant impact on the Corporation's balance sheet or statement of operations Management does not believe that there are any unrecognized tax benefits that should be recognized
ENDOWMENT FUNDS	PART V, LINE 4	ENDOWMENT FUNDS ARE USED TO SUPPORT THE HEALTHCARE MISSION OF SHORE HEALTH SYSTEM

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

▶ **Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than $15,000 on Form 990-EZ, line 6a.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Shore Health System Inc

Employer identification number
52-0610538

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

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

- **a** ☐ Mail solicitations
- **b** ☐ Email solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

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

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 Dinner/dance (event type)	(b) Event #2 (event type)	(c) Other Events 0 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	89,281			89,281
	2 Less Charitable contributions	75,008			75,008
	3 Gross revenue (line 1 minus line 2)	14,273			14,273
Direct Expenses	4 Cash Prizes				
	5 Non-cash Prizes				
	6 Rent/Facility costs				
	7 Other direct expenses	25,919			25,919
	8 Direct expense summary Add lines 4 through 7 in column (d) ▶				25,919
	9 Net income summary Combine lines 3 and 8 in column (d) ▶				-11,646

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities ____			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

		Yes	No
13	Indicate the percentage of gaming activity operated in		
a	The organization's facility **13a**		
b	An outside facility **13b**		
14	Provide the name and address of the person who prepares the organization's gaming/special events books and records		
	Name ▶ _____		
	Address ▶ _____		
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue? **15a**		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____		
c	If "Yes," enter name and address		
	Name ▶ _____		
	Address ▶ _____		
16	Gaming manager information		
	Name ▶ _____		
	Gaming manager compensation ▶ $ _____		
	Description of services provided ▶ _____		
	☐ Director/officer ☐ Employee ☐ Independent contractor		
17	Mandatory distributions		
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? **17a**		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $		

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Attach to Form 990. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Shore Health System Inc

Employer identification number
52-0610538

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a		
b	If "Yes," is it a written policy?	1b		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a		
6b	If "Yes," does the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from *worksheets 1 and 2)*						
b Unreimbursed Medicaid (from *worksheet 3, column a)*						
c Unreimbursed costs—other means-tested government programs (from *worksheet 3, column b)*						
d **Total** Charity Care and Means-Tested Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from (worksheet 4)						
f Health professions education (from worksheet 5)						
g Subsidized health services (from worksheet 6)						
h Research (from worksheet 7)						
i Cash and in-kind contributions to community groups (from worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

Part II Community Building Activities (Complete this table if the organization conducted any community building activities) *(Optional for 2008)*

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**						

Part III Bad Debt, Medicare, & Collection Practices *(Optional for 2008)*

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		
2	Enter the amount of the organization's bad debt expense (at cost)	2		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit			

Section B. Medicare

5	Enter total revenue received from Mecicare (including DSH and IME)	5	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	
7	Enter line 5 less line 6—surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6 and indicate which of the following methods was used		

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a		
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		

Part IV Management Companies and Joint Ventures *(Optional for 2008)*

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
THE MEMORIAL HOSPITAL AT EASTON 219 S WASHINGTON STREET EASTON,MD 21601	X	X					X		
DORCHESTER GENERAL HOSPITAL 300 BYRN STREET CAMBRIDGE,MD 21613	X	X					X		
CHESAPEAKE NEUROLOGICAL SURGERY LLC 505 DUTCHMANS LANE EASTON,MD 21601									OUTPATIENT PHYSICIAN OFFICE
CHESAPEAKE ENT SINUS & HEARING CENTER 29466 PINTAIL DRIVE EASTON,MD 21601									OUTPATIENT PHYSICIAN OFFICE
CRITICAL CARE UNIVERSITY 505 BYRN STREET CAMBRIDGE,MD 21613									NURSES TRAINING FACILITY
SHORE HEALTH LABORATORIES 301 BAY STREET SUITE 201 EASTON,MD 21601									OFFSITE LABORATORY
INTEGRATIVE MEDICINE 607 DUTCHMANS LANE EASTON,MD 21601									OUTPATIENT FACILITY
CANCER CENTER 509 IDLEWILD AVENUE EASTON,MD 21601									OUTPATIENT CANCER CLINIC
DENTON DIAGNOSTIC CENTER 920 MARKET STREET DENTON,MD 21629									DIAGNOSTIC CENTER
DIGESTIVE DISEASE CENTER 511 IDLEWILD AVENUE EASTON,MD 21601									DIGESTIVE CENTER
SUNBURST CENTER ROUTE 50 CAMBRIDGE,MD 21613									REHABILITION CLINIC
DOCTOR'S OFFICESHORE WORKS 2 AURORA STREET CAMBRIDGE,MD 21613									OUTPATIENT PHYSICIAN OFFICE/EMPLOYEE HEALTH FACILITY
OFFICE 800 J TALBOT STREET ST MICHAELS,MD 21663									OUTPATIENT PHYSICIAN OFFICE
DIAGNOSTIC CENTER 10 MARTIN COURT EASTON,MD 21601									DIAGNOSTIC CENTER
DOCTOR'S OFFICE 400-408 BRYN STREET CAMBRIDGE,MD 21613									OUTPATIENT PHYSICIAN OFFICE

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 7, Part III, line 4, Part III, line 8, and Part III, line 9b

2 **Needs Assessment.** Describe how the organization assesses the health care needs of the communities it serves

3 **Patient Education of Eligibility for Assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

4 **Community Information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Community Building Activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communites served

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Shore Health System Inc

Employer identification number
52-0610538

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
a	Receive a severance payment or change of control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Joseph P Ross	(i)	387,791	134,500	24,716	58,469	18,369	623,845	0
	(ii)	0	0	0	0	0	0	0
Walter J Zajac CPA	(i)	141,196	38,500	35,230	21,779	15,909	252,614	0
	(ii)	0	0	0	0	0	0	0
Catherine Ferara	(i)	136,559	0	6,983	6,299	5,335	155,176	0
	(ii)	0	0	0	0	0	0	0
Christopher J Parker	(i)	173,002	63,027	8,091	20,760	15,909	280,789	0
	(ii)	0	0	0	0	0	0	0
George Shoener	(i)	124,076	13,489	20,500	7,477	5,938	171,480	0
	(ii)	0	0	0	0	0	0	0
Gerald M Walsh	(i)	214,079	48,121	2,894	32,112	15,909	313,115	0
	(ii)	0	0	0	0	0	0	0
John Sawyer	(i)	139,621	0	7,558	6,594	6,250	160,023	0
	(ii)	0	0	0	0	0	0	0
Julia Marlowe	(i)	162,828	28,265	5,243	19,659	7,535	223,530	0
	(ii)	0	0	0	0	0	0	0
Michael C Tooke MD	(i)	238,004	74,495	8,407	36,091	15,909	372,906	0
	(ii)	0	0	0	0	0	0	0
Michael J Zimmerman	(i)	165,657	46,087	6,675	20,178	18,369	256,966	0
	(ii)	0	0	0	0	0	0	0
ROBERT A CHRENCIK	(i)	0	0	0	0	0	0	0
	(ii)	640,584	232,530	13,728	116,748	15,527	1,019,117	0
TIMOTHY SCHNEIDER MD	(i)	292,103	113,824	15,500	14,650	16,817	452,894	0
	(ii)	0	0	0	0	0	0	0
WILLIAM ROTH	(i)	123,460	12,782	3,770	5,667	14,739	160,418	0
	(ii)	0	0	0	0	0	0	0
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Health Club Dues and Health Maintenance Fees	PART I	UMMS EXECUTIVES RECEIVE A BENEFIT PACKAGE WHICH MAY BE USED TOWARDS HEALTH CLUB DUES OR OTHER HEALTH MAINTENANCE PROGRAMS SUCH BENEFITS ARE CAPPED AT $7,000, $5,000, OR $3,000 DEPENDING ON JOB TITLE AS DESCRIBED IN THE PROGRAM DOCUMENTS
SUPPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	PART I, LINE 4B	The following individuals participate in a section 457(f) supplemental, nonqualified retirement plan ("the Plan") sponsored by the filing organization or a related organization ROBERT A CHRENCIK JEFFREY L JOHNSON CHRISTOPHER J PARKER JOSEPH P ROSS MICHAEL C TOOKE GERARD M WALSH PATTI K WILLIS WALTER J ZAJAC MICHAEL J ZIMMERMAN

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Shore Health System Inc

Employer identification number
52-0610538

Identifier	Return Reference	Explanation
TAX EXEMPT BOND ISSUE	FORM 990, PART IV	Pursuant to a Master Loan Agreement dated June 20, 1991 (The "Master Loan Agreement"), as Amended, The University Of Maryland Medical System Corporation (The "Corporation") and several of its subsidiaries have issued debt through the Maryland Health and Higher Educational Facilities Authority (the "Authority") As Security for the performance of the bond obligation under the Master Loan Agreement, The Authority maintains a security interest in the revenue of the obligors The Master Loan Agreement contains certain restrictive covenants These covenants require that rates and charges be set at certain levels, limit incurrence of additional debt, require compliance with certain operating ratios and restrict the disposition of assets The obligated group under the Master Loan Agreement includes the Corporation, University Specialty Hospital, The James Lawrence Kernan Hospital, Maryland General Hospital, Baltimore Washington Medical Center and Shore Health System Each member of the obligated Group is jointly and severally liable for the repayment of the obligations under the Master Loan Agreement of the Corporation's $885,495,000 of outstanding Authority Bonds on June 30, 2009 All of the bonds were issued in the name of the University of Maryland Medical System Corporation, with the exception of those bonds issued in the name of Shore Health System prior to Shore Health System joining the obligated group on July 1st, 2007, and are reported on Schedule K of the Corporation's Form 990

Identifier	Return Reference	Explanation
FORM 990 PREPARATION AND REVIEW PROCESS	Part VI, Section A, Line 10	The IRS Form 990 is prepared and reviewed by the independent accounting firm of KPMG Accounting personnel in Finance Shared Services at the University of Maryland Medical System gather the information needed to complete the return and input the data into the KPMG Tax Organizer, which is a web-based system When all data has been entered, the information is submitted to KPMG for importation into its tax software At this point, KPMG staff members review the data, ask for additional information and clarifications if needed and prepare the tax return Each return is reviewed at several levels at KPMG including the tax partner After their review process, a draft return is sent to the accounting staff at UMMS for an in-house review Upon completion of the in-house review, KPMG is instructed to make any necessary changes and to prepare the final draft tax return The final draft return undergoes another review by the accounting staff at Finance Shared Services and is also reviewed by the Accounting Manager, THE Director of Financial Reporting, THE VICE PRESIDENT OF FINANCE, AND THE CFO WHO SIGNS THE RETURN Prior to filing the IRS Form 990, the organization's Board Chairman, Treasurer, Audit Committee Chairman, Executive Committee Chairman or other member of the Board with similar authority will review the IRS Form 990 At the discretion of the reviewing Board member, such member will bring any issues or questions related to the completed IRS Form 990 to the attention of the Board Notwithstanding the above, a Board resolution is not required for the filing of the Organization's IRS Form 990 The Board is given a copy of the final IRS Form 990 before it is filed

Identifier	Return Reference	Explanation
CONFLICT OF INTEREST POLICY	Part VI, Section B, Line 12c	The Organization's officers, directors, employees and medical staff members, as applicable, shall disclose conflicts of interests or potential conflicts of interest between their personal interests and the interests of the Organization, or any entity controlled by or owned in substantial part by the Organization A questionnaire which discloses potential conflicts of interest is distributed annually to all officers, directors and key employees The General Counsel of the University of Maryland Medical System Corporation (UMMSC) reviews the responses for UMMSC, University Specialty Hospital and James Lawrence Kernan Hospital The CEO or CFO of each of the other entities in the University of Maryland Medical System reviews the responses for those entities The General Counsel, in consultation with the Audit Committee, if necessary, would determine if a conflict of interest existed for UMMSC, University Specialty Hospital and James Lawrence Kernan Hospital With respect to the other entities in the University of Maryland Medical System, the General Counsel may be called for consult If so, the General Counsel may consult the Audit Committee if necessary Whenever a conflict or potential conflict of interest exists, the nature of the conflict or potential conflict of interest must be disclosed in writing to the Organization's Board, Board committee, an officer of the Organization or other appropriate executive Such individual having a potential conflict of interest shall play no role on behalf of the Organization, or any Organization controlled or substantially owned, in any transaction in which a conflict exists All invitations for bids, proposals or solicitations for offers include the following provision Any vendor, supplier or contractor must disclose any actual or potential transaction with any Organization officer, director, employee or member of the medical staff, including family members within five days of the transaction Failure to comply with this provision is a material breach of agreement In addition, a Board Disclosure Report is filed with the Maryland Health Services Cost Review Commission on an annual basis showing any business transactions between the Board members and the Organization

Identifier	Return Reference	Explanation
EXECUTIVE COMPENSATION	Part VI, Section, line 15	The Organization determines the executive compensation paid to its executives in the following manner prescribed in the IRS Regulations Executive compensation packages are determined by a committee of the Board that is composed entirely of Board members who have no conflict of interest The independent committee acquires credible comparability market data concerning the compensation packages of similarly situated executives The committee carefully reviews that data, the executive's performance and the proposed compensation packages during the decision making process The committee memorializes its deliberations and decisions in detailed minutes reviewed and adopted at the next-following meeting The committee seeks an opinion of counsel that it has met the requirements of the IRS intermediate sanctions Regulations This process is used to determine the compensation packages for all management employees from the Vice President level and up

Identifier	Return Reference	Explanation
PUBLIC DISCLOSURE	Part VI, Section C, Line 19	In general, financial and tax information relating to the Organization is deemed proprietary and not subject to disclosure upon request However, specific provisions of federal and state law require the Organization to disclose certain limited financial and tax data upon a specific request for that information Requests for Form 990 and Form 1023 A requestor seeking to review and/or obtain a copy of the Organization's IRS Form 990 or Form 1023 as filed with the Internal Revenue Service, including all schedules and attachments, may appear in person or submit a written request The most recent three years of IRS Form 990 may be requested If the requester appears in person, the individual is directed to the office of the Chief Financial Officer for the Organization and the Form 990 and/or Form 1023 are made available for inspection The individual is permitted to review the return, take notes and request a copy If requested, a copy is provided on the same day A nominal fee is charged for making the copies The Organization may have an employee present during the public inspection of the document Written requests for an entity's Form 990 or Form 1023 are directed immediately to the office of the Chief Financial Officer for the Organization The requested copies are mailed within 30 days of the request Reproduction fees and mailing costs are charged to the requestor Conflict of Interest Policy and Governing Documents If the governing documents and conflict of interest policy of our organization are subject to the Federal public disclosure rules (or state public disclosure rules), these documents will be made publicly available as applicable law may require Otherwise, the governing documents and conflict of interest policy will be provided to the public at the discretion of management

Identifier	Return Reference	Explanation
AUDIT FINANCIAL STATEMENTS	Part IV, Line 12	The Organization did not receive a stand alone audited financial statement for the year for which it is completing this return However, the Organization was included in the consolidated financial statement audit performed for the University of Maryland Medical System and Subsidiaries for the reporting year by our auditing firm, KPMG

Identifier	Return Reference	Explanation
MEMBERS	PART VI, LINES 6 AND 7	THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION IS A MEMBER OF SHORE HEALTH SYSTEM, INC SHORE HEALTH SYSTEMS, INC AND UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION MAY ELECT MEMBERS AND APPROVE DECISIONS OF THE SHORE HEALTH SYSTEM BOARD

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Shore Health System Inc

Employer identification number
52-0610538

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
CHESAPEAKE NEUROLOGICAL SURGERY 219 S WASHINGTON STREET EASTON, MD 21601 20-2995904	HEALTHCARE	MD	2,053,050	472,032	Shore Health
CHESAPEAKE EAR NOSE THROAT & SINUS 219 S WASHINGTON STREET EASTON, MD 21601 20-2995846	HEALTHCARE	MD	1,366,870	251,745	Shore Health

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
See Additional Data Table					

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproprtionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No
See Additional Data Table											

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
See Additional Data Table							

Part V Transactions with Related Organizations

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a	Yes	
b Gift, grant, or capital contribution to other organization(s)	1b	Yes	
c Gift, grant, or capital contribution from other organization(s)	1c	Yes	
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e	Yes	
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i		No
j Lease of facilities, equipment, or other assets from other organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by other organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o	Yes	
p Reimbursement paid by other organization for expenses	1p	Yes	
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r		No

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

	(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1)	Shore Health Enterprises	A	80,857
(2)	Shore Health Enterprises	J	57,000
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

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

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproprtionate allocations?		(G) Code V—UBI amount on Box 20 of K-1	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data Return to Form

Software ID:
Software Version:
EIN: 52-0610538
Name: Shore Health System Inc

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

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Exempt Code section	(E) Public charity status (if 501(c)(3))	(F) Direct Controlling Entity
Baltimore Washington Emergency Phys Inc 301 Hospital Drive Glen Burnie, MD21061 52-1756326	Health Care	MD	501 (c) (3)	11	BWMS
Baltimore Washington Healthcare Services 301 Hospital Drive Glen Burnie, MD21061 52-1830243	Health Care	MD	501 (c) (3)	11	BWMS
Baltimore Washington Medical Center Inc 301 Hospital Drive Glen Burnie, MD21061 52-0689917	Health Care	MD	501 (c) (3)	3	BWMS
Baltimore Washington Medical System Inc 301 Hospital Drive Glen Burnie, MD21061 52-1830242	Health Care	MD	501 (c) (3)	11	UMMSC
BW Medical Center Foundation Inc 301 Hospital Drive Glen Burnie, MD21061 52-1813656	Fundraising	MD	501 (c) (3)	11	BWMS
North Arundel Development Corporation 301 Hospital Drive Glen Burnie, MD21061 52-1318404	Real Estate	MD	501 (c) (2)		BWMS
North County Corporation 301 Hospital Drive Glen Burnie, MD21061 52-1591355	Real Estate	MD	501 (c) (2)		BWMS
Chester River Health Foundation Inc 100 Brown Street Chestertown, MD21620 52-1338861	Fundraising	MD	501 (c) (3)	11	CRHS
Chester River Health System Inc 100 Brown Street Chestertown, MD21620 52-2046500	Health Care	MD	501 (c) (3)	11	UMMSC
Chester River Hospital Center Inc 100 Brown Street Chestertown, MD21620 52-0679694	Health Care	MD	501 (c) (3)	3	CRHS
Chester River Manor Inc 200 Morgnec Road Chestertown, MD21620 52-6070333	Health Care	MD	501 (c) (3)	11	CRHS
Maryland General Clinical Practice Group 827 Linden Avenue Baltimore, MD21201 52-1566211	Health Care	MD	501 (c) (3)	11	MGHS
Maryland General Comm Health Foundation 827 Linden Avenue Baltimore, MD21201 52-2147532	Fundraising	MD	501 (c) (3)	11	MGHS
Maryland General Health Systems Inc 827 Linden Avenue Baltimore, MD21201 52-1175337	Health Care	MD	501 (c) (3)	11	UMMSC
Maryland General Hospital Inc 827 Linden Avenue Baltimore, MD21201 52-0591667	Health Care	MD	501 (c) (3)	3	MGHS
Care Health Services Inc 219 South Washington Street Easton, MD21601 52-1510269	Health Care	MD	501 (c) (3)	11	SHS
Dorchester General Hospital Foundation 219 South Washington Street Easton, MD21601 52-1703242	Fundraising	MD	501 (c) (3)	11	SHS
Memorial Hospital Foundation Inc 219 South Washington Street Easton, MD21601 52-1282080	Fundraising	MD	501 (c) (3)	11	SHS
Shore Clinical Foundation Inc 219 South Washington Street Easton, MD21601 52-1874111	Health Care	MD	501 (c) (3)	11	SHS
Shore Health System Inc 219 South Washington Street Easton, MD21601 52-0610538	Health Care	MD	501 (c) (3)	3	UMMSC
James Lawrence Kernan Hosp Endow Fd 2200 Kernan Drive Baltimore, MD21207 23-7360743	Fundraising	MD	501 (c) (3)	11	UMMSC
James Lawrence Kernan Hospital Inc 2200 Kernan Drive Baltimore, MD21207 52-0591639	Health Care	MD	501 (c) (3)	3	UMMSC
Shipley's Choice Medical Park Inc 22 South Greene Street Baltimore, MD21201 04-3643849	Real Estate	MD	501 (c) (2)		UMMSC
UMMS Foundation Inc 22 South Greene Street Baltimore, MD21201 52-2238893	Fundraising	MD	501 (c) (3)	11	UMMSC
University of MD Medical System Corp 22 South Greene Street Baltimore, MD21201 52-1362793	Health Care	MD	501 (c) (3)	3	UMMSC
University Specialty Hospital 611 South Charles Street Baltimore, MD21230 52-0882914	Health Care	MD	501 (c) (3)	3	UMMSC

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal Domicile (State or Foreign Country)	(D) Direct Controlling Entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income ($)	(G) Share of end-of-year assets ($)	(H) Disproprtionate allocations?		(I) Code V-UBI amount on Box 20 of Schedule K-1 (Form 1065) ($)	(J) General or Managing Partner?	
							Yes	No		Yes	No
Arundel Physicians Associates LLC 301 Hospital Drive Glen Burnie, MD21061 52-2000762	Health Care	MD	APA Inc					No			No
Central MD Rehabilitation Center LLC 22 South Greene Street Baltimore, MD21201 52-1939987	Health Care	MD	UMMSC					No			No
Helen P Denit Cancer Treatment Center 22 South Greene Street Baltimore, MD21201 52-2283591	Health Care	MD	UMMSC					No			No
Innovative Health LLC 29165 Canvasback Drive Suite 100 Easton, MD21601 52-1997287	Billing	MD	SHS					No			No
North Arundel Pet Center LLC 301 Hospital Drive Glen Burnie, MD21061 20-0806027	Health Care	MD	BWPS Inc					No			No
North Arundel Senior Living LLC 301 Hospital Drive Glen Burnie, MD21061 54-1810728	Health Care	MD	BWHE Inc					No			No
NAHSunrise of Severna Park LLC 301 Hospital Drive Glen Burnie, MD21061 54-1810729	Health Care	MD	BWHE Inc					No			No
Shipley's Imaging Center LLC 22 South Greene Street Baltimore, MD21201 52-2040338	Health Care	MD	UMMSC					No			No
Universitycare LLC 22 South Greene Street Baltimore, MD21201 52-1914892	Health Care	MD	UMMSC					No			No

Additional Data

Software ID:
Software Version:
EIN: 52-0610538
Name: Shore Health System Inc

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
John Dillon , Chairman	1 0	X		X				0	0	0
Mr Richard Loeffler , Vice Chair	1 0	X		X				0	0	0
Charles Lea Jr , Vice Chair	2 0	X		X				0	0	0
Joseph P Ross , President/CEO	40 0	X		X				547,007	0	76,838
Stuart Bounds PhD , Secretary	1 0	X		X				0	0	0
MICHAEL MORAN M D , BOARD MEMBER	1 0	X						0	0	0
Ludwig Eglseder III M D , Board Member	1 0	X						48,000	0	0
Mr James Peterson , Board Member	1 0	X						0	0	0
MR DAVID MILLIGAN , Board Member	1 0	X						0	0	0
Mr Neil Mufson , Board Member	1 0	X						0	0	0
Mr Robert Carmean , Board Member	1 0	X						0	0	0
Mrs Marlene Feldman , Board Member	1 0	X						0	0	0
Michael Joyce M D , Board Member	1 0	X						0	0	0
Jack P Stolz , Board Member	1 0	X						0	0	0
Keith McMahan , Board Member	1 0	X						0	0	0
Martha Russell , TREASURER	1 0	X		X				0	0	0
ROBERT A CHRENCIK , PRESIDENT - UMMS	1 0	X		X				0	886,842	132,275
Phyllis Matthai , Asst Secretary	40 0			X				80,220	0	16,348
Walter J Zajac CPA , CFO	40 0			X				214,926	0	37,688
Christopher J Parker , CNO	40 0				X			244,120	0	36,669
Gerald M Walsh , COO	40 0				X			265,094	0	48,021
Julia Marlowe , VP/Foundation	40 0				X			196,336	0	27,194
Michael C Tooke MD , CMO	40 0				X			320,906	0	52,000
Michael J Zimmerman , VP/HR	40 0				X			218,419	0	38,547
Catherine Ferara , Clinical Pharmacist	40 0					X		143,542	0	11,634
George Shoener , Director/Facilities Mgmt	40 0					X		158,065	0	13,415
John Sawyer , Lead Medical Physicist	40 0					X		147,179	0	12,844
TIMOTHY SCHNEIDER MD , PHYSICIAN	40 0					X		421,427	0	31,467
WILLIAM ROTH , EXECUTIVE DIRECTOR/REHAB	40 0					X		140,012	0	20,406

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal Domicile (State or Foreign Country)	(D) Direct Controlling Entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income ($)	(G) Share of end-of-year assets ($)	(H) Percentage ownership
Arundel Physicians Associates Inc 301 Hospital Drive Glen Burnie, MD21061 52-1992649	Health Care	MD	BWHE	C Corp			
Baltimore Washington Health Enterprises 301 Hospital Drive Glen Burnie, MD21061 52-1936656	Health Care	MD	BWMS	C Corp			
BW Professional Services Inc 301 Hospital Drive Glen Burnie, MD21061 52-1655640	Health Care	MD	BWHE	C Corp			
Council of Unit Owners of MD Gen PC 827 Linden Avenue Baltimore, MD21201 52-1891126	Real Estate	MD	MGHS	C Corp			
Shore Health Enterprises Inc 219 South Washington Street Easton, MD21601 52-1363201	Real Estate	MD	SHS	C Corp	57,184	752,111	100 %
University Lithotripter Inc 22 South Greene Street Baltimore, MD21201 52-1451021	Health Care	MD	UMMSC	C Corp			
UMMS Self Insurance Trust 22 South Greene Street Baltimore, MD21201 52-6315433	Insurance	MD	UMMSC	Trust			
Terrapin Insurance Company PO Box 1109 Grand Cayman, Cayman Islands KY1-1102 CJ 98-0129232	Insurance	CJ	UMMSC	C Corp			
NA Executive Building Condo Assn Inc 301 Hospital Drive Glen Burnie, MD21061	Real Estate	MD	NADCO	C Corp			

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 52-0610538
Name: Shore Health System Inc

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Joseph P Ross	(I)	387,791	134,500	24,716	58,469	18,369	623,845	0
	(II)	0	0	0	0	0	0	0
Walter J Zajac CPA	(I)	141,196	38,500	35,230	21,779	15,909	252,614	0
	(II)	0	0	0	0	0	0	0
Catherine Ferara	(I)	136,559	0	6,983	6,299	5,335	155,176	0
	(II)	0	0	0	0	0	0	0
Christopher J Parker	(I)	173,002	63,027	8,091	20,760	15,909	280,789	0
	(II)	0	0	0	0	0	0	0
George Shoener	(I)	124,076	13,489	20,500	7,477	5,938	171,480	0
	(II)	0	0	0	0	0	0	0
Gerald M Walsh	(I)	214,079	48,121	2,894	32,112	15,909	313,115	0
	(II)	0	0	0	0	0	0	0
John Sawyer	(I)	139,621	0	7,558	6,594	6,250	160,023	0
	(II)	0	0	0	0	0	0	0
Julia Marlowe	(I)	162,828	28,265	5,243	19,659	7,535	223,530	0
	(II)	0	0	0	0	0	0	0
Michael C Tooke MD	(I)	238,004	74,495	8,407	36,091	15,909	372,906	0
	(II)	0	0	0	0	0	0	0
Michael J Zimmerman	(I)	165,657	46,087	6,675	20,178	18,369	256,966	0
	(II)	0	0	0	0	0	0	0
ROBERT A CHRENCIK	(I)	0	0	0	0	0	0	0
	(II)	640,584	232,530	13,728	116,748	15,527	1,019,117	0
TIMOTHY SCHNEIDER MD	(I)	292,103	113,824	15,500	14,650	16,817	452,894	0
	(II)	0	0	0	0	0	0	0
WILLIAM ROTH	(I)	123,460	12,782	3,770	5,667	14,739	160,418	0
	(II)	0	0	0	0	0	0	0