

PUBLIC DISCLOSURE COPY

**Application for Extension of Time To File an Exempt Organization
Return or Excise Taxes Related to Employee Benefit Plans**

OMB No. 1545-0047

File a separate application for each return.
Go to www.irs.gov/Form8868 for the latest information.

Electronic filing (e-file). You can electronically file Form 8868 to request up to a 6-month extension of time to file any of the forms listed below except for Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts. An extension request for Form 8870 must be sent to the IRS in a paper format (see instructions). For more details on the electronic filing of Form 8868, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Part I - Identification

| | | |
|--|--|---|
| Type or Print | Name of exempt organization, employer, or other filer, see instructions. Penobscot Valley Hospital | Taxpayer identification number (TIN) 01-0545327 |
| File by the due date for filing your return. See instructions. | Number, street, and room or suite no. If a P.O. box, see instructions. PO Box 368 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. Lincoln, ME 04457 | |

Enter the Return Code for the return that this application is for (file a separate application for each return) **01**

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|------------------------------------|-------------|
| Form 990 or Form 990-EZ | 01 | Form 4720 (other than individual) | 09 |
| Form 4720 (individual) | 03 | Form 5227 | 10 |
| Form 990-PF | 04 | Form 6069 | 11 |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05 | Form 8870 | 12 |
| Form 990-T (trust other than above) | 06 | Form 5330 (individual) | 13 |
| Form 990-T (corporation) | 07 | Form 5330 (other than individual) | 14 |
| Form 1041-A | 08 | Form 990-T (governmental entities) | 15 |

• After you enter your Return Code, complete either Part II or Part III. Part III, including signature, is applicable only for an extension of time to file Form 5330.

• If this application is for an extension of time to file Form 5330, you must enter the following information.

Plan Name
Plan Number
Plan Year Ending (MM/DD/YYYY)

Part II - Automatic Extension of Time To File for Exempt Organizations (see instructions)

The books are in the care of **Elisa Blethen**
PO Box 368 - Lincoln, ME 04457

Telephone No. **207-794-3321** Fax No.

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four-digit Group Exemption Number (GEN) If this is for the whole group, check this box If it is for part of the group, check this box ... and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **November 15**, 20 **25**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

calendar year 20 **24** or
 tax year beginning , 20 , and ending , 20

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

| | | |
|---|-----------|--------------|
| 3a If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | \$ 0. |
| b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | \$ 0. |
| c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 3c | \$ 0. |

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

Form **8868** (Rev. 1-2025)

Return of Organization Exempt From Income Tax

Form 990

Department of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2024

Open to Public
Inspection

A For the 2024 calendar year, or tax year beginning _____ and ending _____

| | | | |
|--|---|---|--|
| B Check if applicable: | C Name of organization Penobscot Valley Hospital | | D Employer identification number 01-0545327 |
| <input type="checkbox"/> Address change | Doing business as | | E Telephone number 207-794-3321 |
| <input type="checkbox"/> Name change | Number and street (or P.O. box if mail is not delivered to street address) | Room/suite | G Gross receipts \$ 25,211,052. |
| <input type="checkbox"/> Initial return | PO Box 368 | | H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Final return/terminated | City or town, state or province, country, and ZIP or foreign postal code Lincoln, ME 04457 | | H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Amended return | F Name and address of principal officer: Melissa Pelkey same as C above | | If "No," attach a list. See instructions |
| <input type="checkbox"/> Application pending | I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | J Website: www.pvhme.org |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other | | L Year of formation: 1973 M State of legal domicile: ME | |

Part I Summary

| | | | |
|--|---|---|--|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: Critical Access Hospital | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 8 | |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 8 | |
| | 5 Total number of individuals employed in calendar year 2024 (Part V, line 2a) | 5 259 | |
| | 6 Total number of volunteers (estimate if necessary) | 6 8 | |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 7a 0. | |
| b Net unrelated business taxable income from Form 990-T, Part I, line 11 | 7b 0. | | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year 495,663. Current Year 678,730. | |
| | 9 Program service revenue (Part VIII, line 2g) | 23,108,754. 24,574,111. | |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 12,256. 7,098. | |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 23,503. -48,887. | |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 23,640,176. 25,211,052. | |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 0. 0. | |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | 0. 0. | |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 14,096,857. 14,568,572. | |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 0. 0. | |
| | b Total fundraising expenses (Part IX, column (D), line 25) | 0. | |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 11,335,641. 11,063,773. | |
| | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 25,432,498. 25,632,345. | |
| 19 Revenue less expenses. Subtract line 18 from line 12 | -1,792,322. -421,293. | | |
| Net Assets or Fund Balances | Beginning of Current Year | End of Year | |
| | 20 Total assets (Part X, line 16) | 7,718,433. 8,657,464. | |
| | 21 Total liabilities (Part X, line 26) | 6,271,417. 7,554,765. | |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | 1,447,016. 1,102,699. | |

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.

| | | | |
|-------------------|--|--|---|
| Sign Here | Signature of officer Melissa Pelkey, CEO | | Date |
| | Type or print name and title | | |
| Paid | Preparer's name Melissa Magoon, CPA | Preparer's signature Melissa Magoon, CPA | Date 10/29/25 |
| | | | Check <input type="checkbox"/> if self-employed |
| Preparer Use Only | Firm's name Berry Dunn McNeil & Parker, LLC | | Firm's EIN 01-0523282 |
| | Firm's address 2211 Congress St Portland, ME 04102 | | Phone no. (207) 775-2387 |

May the IRS discuss this return with the preparer shown above? See instructions Yes No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III 1 Briefly describe the organization's mission:

To be our community's trusted healthcare partner, committed to the health and well-being of those we serve with compassion, quality, and excellence.

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

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

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

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ 21,775,119. including grants of \$ _____) (Revenue \$ 24,574,111.)

Penobscot Valley Hospital is a 25 bed critical access hospital in Lincoln, ME. The Hospital provided a wide range of medical services to its patients in 2024, some of the largest being Emergency Room Services, Laboratory Services, Pharmacy Services, Rehabilitation Services, Surgical Services & Radiology Services. Please refer to Schedule H for a more comprehensive list of services provided.

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

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

4d Other program services (Describe on Schedule O.)

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

4e Total program service expenses 21,775,119.

Form 990 (2024)

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 X | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? See instructions | 2 X | |
| 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 X | |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II | 4 X | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? If "Yes," complete Schedule C, Part III | 5 X | |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | 6 X | |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II | 7 X | |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | 8 X | |
| 9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | 9 X | |
| 10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi-endowments? If "Yes," complete Schedule D, Part V | 10 X | |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable. <ul style="list-style-type: none"> a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X | | |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII | 11a X | |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional | 11b X | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 11c X | |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV | 11d X | |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV | 11e X | |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV | 11f X | |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I. See instructions | 12a X | |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | 12b X | |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | 13 X | |
| 20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H | 14a X | |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | 14b X | |
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II | 15 X | |
| | 16 X | |
| | 17 X | |
| | 18 X | |
| | 19 X | |
| 20a | 20a X | |
| 20b | 20b X | |
| | 21 X | |

Part IV Checklist of Required Schedules (continued)

| | | Yes | No |
|-----|--|-----|----|
| 22 | Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III | 22 | X |
| 23 | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J | 23 | X |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a | 24a | X |
| 24b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | |
| 24c | 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 | |
| 24d | 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), 501(c)(4), and 501(c)(29) 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 | X |
| 25b | b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I | 25b | X |
| 26 | Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part II | 26 | X |
| 27 | Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? If "Yes," complete Schedule L, Part III | 27 | X |
| 28 | Was the organization a party to a business transaction with one of the following parties? (See the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions): | | |
| 28a | a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV | 28a | X |
| 28b | b A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV | 28b | X |
| 28c | c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? If "Yes," complete Schedule L, Part IV | 28c | X |
| 29 | Did the organization receive more than \$25,000 in noncash contributions? If "Yes," complete Schedule M | 29 | X |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M | 30 | X |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I | 31 | X |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II | 32 | X |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I | 33 | X |
| 34 | Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1 | 34 | X |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 35a | X |
| 35b | b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 | 35b | X |
| 36 | Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 | 36 | X |
| 37 | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI | 37 | X |
| 38 | Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O | 38 | X |

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V

| | | Yes | No |
|----|--|-----|----|
| 1a | Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable | 1a | 36 |
| 1b | b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable | 1b | 0 |
| 1c | c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c | X |

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

| | | Yes | No |
|---|--|-----|-----|
| 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 | 259 |
| b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | 2b | X |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year? | 3a | X |
| b | If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O | 3b | |
| 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 | X |
| b | If "Yes," enter the name of the foreign country _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | X |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | X |
| c | If "Yes" to line 5a or 5b, did the organization file Form 8886-T? | 5c | |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? | 6a | X |
| 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). | 7a | X |
| a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | 7b | |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | 7c | X |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7d | |
| d | If "Yes," indicate the number of Forms 8282 filed during the year | 7e | X |
| e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7f | X |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7g | |
| g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | 7h | |
| h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | 8 | |
| 8 | Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? | 9a | |
| 9 | Sponsoring organizations maintaining donor advised funds. | 9b | |
| 10 | Section 501(c)(7) organizations. Enter: | 10a | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 | 10b | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 11a | |
| 11 | Section 501(c)(12) organizations. Enter: | 11b | |
| a | Gross income from members or shareholders | 12a | |
| b | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) | 12b | |
| 12a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 13a | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 13b | |
| 13 | Section 501(c)(29) qualified nonprofit health insurance issuers. | 13c | |
| a | Is the organization licensed to issue qualified health plans in more than one state? | 14a | X |
| Note: See the instructions for additional information the organization must report on Schedule O. | | | |
| b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans | 14b | |
| c | Enter the amount of reserves on hand | 15 | X |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year? | 16 | X |
| b | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O | 17 | |
| 15 | Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? | | |
| If "Yes," see the instructions and file Form 4720, Schedule N. | | | |
| 16 | Is the organization an educational institution subject to the section 4968 excise tax on net investment income? | | |
| If "Yes," complete Form 4720, Schedule O. | | | |
| 17 | Section 501(c)(21) organizations. Did the trust, or any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? | | |
| If "Yes," complete Form 6069. | | | |

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

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

Section A. Governing Body and Management

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

Section B. Policies

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

| | Yes | No | |
|-----|--|-----|---|
| 10a | Did the organization have local chapters, branches, or affiliates? | 10a | X |
| b | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? | 10b | |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | 11a | X |
| b | Describe on Schedule O the process, if any, used by the organization to review this Form 990. | 12a | X |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13 | 12b | X |
| b | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12c | X |
| c | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done | 13 | X |
| 13 | Did the organization have a written whistleblower policy? | 14 | X |
| 14 | Did the organization have a written document retention and destruction policy? | 15a | X |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | 15b | X |
| a | The organization's CEO, Executive Director, or top management official | 16a | X |
| b | Other officers or key employees of the organization | 16b | |
| | If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions. | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | | |
| b | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? | | |

Section C. Disclosure

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

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

Own website Another's website Upon request Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records
Elisa Blethen - 207-794-3321
PO Box 368, Lincoln, ME 04457

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

 Check if Schedule O contains a response or note to any line in this Part VII
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation.

Enter -0- in columns (D), (E), and (F) if no compensation was paid.

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

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.

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

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

See the instructions for the order in which to list the persons above.

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC/ 1099-NEC) | (E) Reportable compensation from related organizations (W-2/1099-MISC/ 1099-NEC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|--|-----------------------|---------|--------------|---------------------------------|--|--|--|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | | | |
| (1) Todd Tritch, MD ED Physician and Medical Director | 40.00 | | | | X | | 670,035. | 0. | 20,532. |
| | 0.00 | | | | | | | | |
| (2) Christopher M. Fallon, MD Physician | 40.00 | | | | X | | 443,824. | 0. | 9,635. |
| | 0.00 | | | | | | | | |
| (3) Dr. Glenn Deyo Surgeon | 40.00 | | | | X | | 339,465. | 0. | 21,556. |
| | 0.00 | | | | | | | | |
| (4) Dr. Stratton J. Shannon Physician | 40.00 | | | | X | | 338,250. | 0. | 1,158. |
| | 0.00 | | | | | | | | |
| (5) Melissa Pelkey CEO | 40.00 | | X | | | | 188,900. | 0. | 31,225. |
| | 0.00 | | | | | | | | |
| (6) Crystal Landry, RN Past CEO | 20.00 | | X | | | | 192,786. | 0. | 26,739. |
| | 0.00 | | | | | | | | |
| (7) Elisa Blethen CFO | 40.00 | | X | | | | 170,078. | 0. | 28,100. |
| | 0.00 | | | | | | | | |
| (8) Dr. Carl Alessi Physician | 40.00 | | X | | X | | 186,998. | 0. | 1,024. |
| | 0.00 | | | | | | | | |
| (9) Lisa Veillette CNO | 40.00 | | X | | | | 87,201. | 0. | 143. |
| | 0.00 | | | | | | | | |
| (10) Amy Theriault Past COO | 0.00 | | X | | | | 695. | 0. | 0. |
| | 0.00 | | | | | | | | |
| (11) Phillip Dawson, Jr. President | 1.50 | | X | X | | | 0. | 0. | 0. |
| | 0.00 | | | | | | | | |
| (12) Beatrice Szantyr, MD Vice President | 1.50 | | X | X | | | 0. | 0. | 0. |
| | 0.00 | | | | | | | | |
| (13) H. Joseph Thibodeau, DDS Treasurer | 1.50 | | X | X | | | 0. | 0. | 0. |
| | 0.00 | | | | | | | | |
| (14) Christine Hanson Board Member | 1.50 | | X | | | | 0. | 0. | 0. |
| | 0.00 | | | | | | | | |
| (15) Patricia Nobel, MD Board Member | 1.50 | | X | | | | 0. | 0. | 0. |
| | 0.00 | | | | | | | | |
| (16) Ryan Reed Board Member | 1.50 | | X | | | | 0. | 0. | 0. |
| | 0.00 | | | | | | | | |
| (17) Kristen Sciolino, DDS Board Member | 1.50 | | X | | | | 0. | 0. | 0. |
| | 0.00 | | | | | | | | |

Part VII

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

| Section A: Officers, Directors, Key Employees, and Highest Compensated Employees (continued) | | | | | | | | |
|--|---|--|---------------------|---------|--|--|--|--------------|
| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | (D) Reportable compensation from the organization (W-2/1099-MISC/ 1099-NEC) | (E) Reportable compensation from related organizations (W-2/1099-MISC/ 1099-NEC) | (F) Estimated amount of other compensation from the organization and related organizations | |
| | | Individual trustee or director | Institution trustee | Officer | | | | Key employee |
| (18) Richard Stone Board Member | 1.50 0.00 | X | | | | 0. | 0. | 0. |
| (19) Jesse McNally Past Board Member | 1.50 0.00 | | | | | 0. | 0. | 0. |
| | | | | | | | | |
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| | | | | | | | | |
| | | | | | | | | |
| 1b Subtotal | | | | | 2,618,232. | 0. | 140,112. | |
| c Total from continuation sheets to Part VII, Section A | | | | | 0. | 0. | 0. | |
| d Total (add lines 1b and 1c) | | | | | 2,618,232. | 0. | 140,112. | |

d Total (add lines 1b and 1c) **2,618,232.**

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

Yes **No**

3 Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

Section B. Independent Contractors

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|--|--------------------------------|---------------------|
| SJ Rollins Technologies, Inc. 931 Union St, Bangor, ME 04412 | IT Services | 855,055. |
| Lotus Medical & Aesthetics PO Box 382, Mount Desert, ME 04660 | ED Physician | 476,269. |
| True North Anesthesia 455 Harlow Street, Bangor, ME 04401 | Anesthesiologist Staffing | 354,495. |
| Emcare Inc., 7032 Collection Center Drive, Chicago, IL 60693 | ED Physician | 329,563. |
| NL Acadia Hospital Corporation 43 Whiting Hill Road, Brewer, ME 04412 | Behavioral Health Physician | 325,948. |

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII

| | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512 - 514 |
|---|--|----------------------|--|--------------------------------------|---|
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a Federated campaigns | 1a | | | |
| | b Membership dues | 1b | | | |
| | c Fundraising events | 1c | | | |
| | d Related organizations | 1d | | | |
| | e Government grants (contributions) | 1e 440,187. | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above ... | 1f 238,543. | | | |
| | g Noncash contributions included in lines 1a-1f | 1g \$ | | | |
| | h Total. Add lines 1a-1f | | 678,730. | | |
| Program Service Revenue | | Business Code | | | |
| | 2 a Patient Revenue | 621400 | 24,374,283. | 24374283. | |
| | b Cafeteria & Other | 900099 | 199,828. | 174,869. | 24,959. |
| | c | | | | |
| | d | | | | |
| | e | | | | |
| | f All other program service revenue | | | | |
| | g Total. Add lines 2a-2f | | 24,574,111. | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | 7,098. | | 7,098. |
| | 4 Income from investment of tax-exempt bond proceeds | | | | |
| | 5 Royalties | | | | |
| | 6 a Gross rents | (i) Real | (ii) Personal | | |
| | | 6a | | | |
| | b Less: rental expenses | 6b | | | |
| | c Rental income or (loss) | 6c | | | |
| | d Net rental income or (loss) | | | | |
| | 7 a Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | |
| | | 7a | | | |
| | b Less: cost or other basis and sales expenses | 7b | | | |
| | c Gain or (loss) | 7c | | | |
| | d Net gain or (loss) | | | | |
| | 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 | | | | |
| | | 8a | | | |
| | b Less: direct expenses | 8b | | | |
| | c Net income or (loss) from fundraising events | | | | |
| | 9 a Gross income from gaming activities. See Part IV, line 19 | | | | |
| | | 9a | | | |
| | b Less: direct expenses | 9b | | | |
| | c Net income or (loss) from gaming activities | | | | |
| | 10 a Gross sales of inventory, less returns and allowances | | | | |
| | | 10a | | | |
| | b Less: cost of goods sold | 10b | | | |
| | c Net income or (loss) from sales of inventory | | | | |
| Miscellaneous Revenue | | Business Code | | | |
| | 11 a Loss from Subsidiary | 900099 | -48,887. | | -48,887. |
| | b | | | | |
| | c | | | | |
| | d All other revenue | | | | |
| | e Total. Add lines 11a-11d | | -48,887. | | |
| | 12 Total revenue. See instructions | | 25,211,052. | 24549152. | 0. |
| | | | | | -16,830. |

Part IX Statement of Functional Expenses

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

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

| <i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i> | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|------------------------------|--|---|------------------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 725,172. | 87,344. | 637,828. | |
| 6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 11,840,106. | 10,768,470. | 1,071,636. | |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | | | | |
| 9 Other employee benefits | 1,133,234. | 975,552. | 157,682. | |
| 10 Payroll taxes | 870,060. | 744,118. | 125,942. | |
| 11 Fees for services (nonemployees): | | | | |
| a Management | | | | |
| b Legal | 105,457. | | 105,457. | |
| c Accounting | 75,000. | | 75,000. | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.) | 6,473,891. | 5,618,060. | 855,831. | |
| 12 Advertising and promotion | | | | |
| 13 Office expenses | 146,186. | 89,830. | 56,356. | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 654,381. | 406,034. | 248,347. | |
| 17 Travel | 43,780. | 40,343. | 3,437. | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | 89,123. | 89,123. | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 524,333. | 288,383. | 235,950. | |
| 23 Insurance | 320,794. | 311,144. | 9,650. | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.) | | | | |
| a <u>Medical Supplies</u> | 1,699,110. | 1,664,783. | 34,327. | |
| b <u>Repair & Maintenance</u> | 534,621. | 418,000. | 116,621. | |
| c <u>Service Provider Tax</u> | 200,181. | 200,181. | | |
| d <u>Miscellaneous Expenses</u> | 196,916. | 73,754. | 123,162. | |
| e All other expenses | | | | |
| 25 Total functional expenses. Add lines 1 through 24e | 25,632,345. | 21,775,119. | 3,857,226. | 0. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) | | | | |

Part X Balance Sheet

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

| | | (A) Beginning of year | | (B) End of year |
|-----------------------------|---|--------------------------|-----|--------------------|
| Assets | 1 Cash - non-interest-bearing | 1,140. | 1 | 888. |
| | 2 Savings and temporary cash investments | 1,414,430. | 2 | 1,175,636. |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 2,028,265. | 4 | 3,313,869. |
| | 5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | | 5 | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | 436,718. | 8 | 443,918. |
| | 9 Prepaid expenses and deferred charges | 132,489. | 9 | 188,027. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 16,059,047. | | |
| | b Less: accumulated depreciation | 12,622,768. | 10c | 3,436,279. |
| | 11 Investments - publicly traded securities | | 11 | |
| | 12 Investments - other securities. See Part IV, line 11 | 147,734. | 12 | 98,847. |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| | 15 Other assets. See Part IV, line 11 | 25,113. | 15 | 0. |
| | 16 Total assets. Add lines 1 through 15 (must equal line 33) | 7,718,433. | 16 | 8,657,464. |
| Liabilities | 17 Accounts payable and accrued expenses | 1,949,827. | 17 | 2,248,694. |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | | 19 | |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | 4,132,876. | 23 | 3,918,025. |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | 188,714. | 25 | 1,388,046. |
| | 26 Total liabilities. Add lines 17 through 25 | 6,271,417. | 26 | 7,554,765. |
| Net Assets or Fund Balances | Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33. | | | |
| | 27 Net assets without donor restrictions | 1,211,661. | 27 | 671,247. |
| | 28 Net assets with donor restrictions | 235,355. | 28 | 431,452. |
| | Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33. | | | |
| | 29 Capital stock or trust principal, or current funds | | 29 | |
| | 30 Paid-in or capital surplus, or land, building, or equipment fund | | 30 | |
| | 31 Retained earnings, endowment, accumulated income, or other funds | | 31 | |
| | 32 Total net assets or fund balances | 1,447,016. | 32 | 1,102,699. |
| | 33 Total liabilities and net assets/fund balances | 7,718,433. | 33 | 8,657,464. |

Form 990 (2024)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI

| | | |
|---|----|-------------|
| 1 Total revenue (must equal Part VIII, column (A), line 12) | 1 | 25,211,052. |
| 2 Total expenses (must equal Part IX, column (A), line 25) | 2 | 25,632,345. |
| 3 Revenue less expenses. Subtract line 2 from line 1 | 3 | -421,293. |
| 4 Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A)) | 4 | 1,447,016. |
| 5 Net unrealized gains (losses) on investments | 5 | |
| 6 Donated services and use of facilities | 6 | |
| 7 Investment expenses | 7 | |
| 8 Prior period adjustments | 8 | |
| 9 Other changes in net assets or fund balances (explain on Schedule O) | 9 | 76,976. |
| 10 Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | 1,102,699. |

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII

| | Yes | No |
|---|-----|----|
| 1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other | | |
| If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O. | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? | 2a | X |
| If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: | | |
| <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | |
| 2b Were the organization's financial statements audited by an independent accountant? | 2b | X |
| If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: | | |
| <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | |
| 2c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? | 2c | X |
| If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O. | | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? | 3a | X |
| 3b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits | 3b | X |

Form 990 (2024)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section

4947(a)(1) nonexempt charitable trust.

Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2024

Open to Public
Inspection

Name of the organization

Penobscot Valley Hospital

Employer identification number

01-0545327

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

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 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 on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-10 above (see instructions)) | (iv) Is the organization listed in your governing document? | | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|---|---|----|---|---|
| | | | Yes | No | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | | |

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) | (a) 2020 | (b) 2021 | (c) 2022 | (d) 2023 | (e) 2024 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | | | | | | |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4. | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) | (a) 2020 | (b) 2021 | (c) 2022 | (d) 2023 | (e) 2024 | (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 VI.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | | | | | | <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|--|-----------|---|
| 14 Public support percentage for 2024 (line 6, column (f), divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2023 Schedule A, Part II, line 14 | 15 | % |
| 16a 33 1/3% support test - 2024. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization | | |
| b 33 1/3% support test - 2023. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization | | |
| 17a 10% -facts-and-circumstances test - 2024. 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 VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization | | |
| b 10% -facts-and-circumstances test - 2023. 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 VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization | | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | | |

Schedule A (Form 990) 2024

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

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) | (a) 2020 | (b) 2021 | (c) 2022 | (d) 2023 | (e) 2024 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) | (a) 2020 | (b) 2021 | (c) 2022 | (d) 2023 | (e) 2024 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included on 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 VI.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

| | | |
|--|----|---|
| 15 Public support percentage for 2024 (line 8, column (f), divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2023 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|----|---|
| 17 Investment income percentage for 2024 (line 10c, column (f), divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2023 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2024. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2023. 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 Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

| | Yes | No |
|--|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain. | | |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2). | | |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer lines 3b and 3c below. | | |
| b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination. | | |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use. | | |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below. | | |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations. | | |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes. | | |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document). | | |
| b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document? | | |
| c Substitutions only. Was the substitution the result of an event beyond the organization's control? | | |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI . | | |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990) . | | |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? If "Yes," complete Part I of Schedule L (Form 990) . | | |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI . | | |
| b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI . | | |
| c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI . | | |
| 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer line 10b below. | | |
| b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720 , to determine whether the organization had excess business holdings.) | | |

Part IV Supporting Organizations (continued)

| | Yes | No |
|---|-----|----|
| 11 Has the organization accepted a gift or contribution from any of the following persons? | | |
| a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization? | 11a | |
| b A family member of a person described on line 11a above? | 11b | |
| c A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI. | 11c | |

Section B. Type I Supporting Organizations

| | Yes | No |
|---|-----|----|
| 1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year. | 1 | |
| 2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization. | 2 | |

Section C. Type II Supporting Organizations

| | Yes | No |
|--|-----|----|
| 1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s). | 1 | |

Section D. All Type III Supporting Organizations

| | Yes | No |
|--|-----|----|
| 1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? | 1 | |
| 2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s). | 2 | |
| 3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard. | 3 | |

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).

- a The organization satisfied the Activities Test. Complete line 2 below.
- b The organization is the parent of each of its supported organizations. Complete line 3 below.
- c The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).

2 Activities Test. Answer lines 2a and 2b below.

- a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.

- b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

3 Parent of Supported Organizations. Answer lines 3a and 3b below.

- a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No," provide details in Part VI.
- b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.

| | Yes | No |
|----|-----|----|
| 2a | | |
| 2b | | |
| 3a | | |
| 3b | | |

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). **See instructions.**
 All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

| Section A - Adjusted Net Income | | (A) Prior Year | (B) Current Year (optional) |
|--|-----------|----------------|--------------------------------|
| 1 Net short-term capital gain | 1 | | |
| 2 Recoveries of prior-year distributions | 2 | | |
| 3 Other gross income (see instructions) | 3 | | |
| 4 Add lines 1 through 3. | 4 | | |
| 5 Depreciation and depletion | 5 | | |
| 6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions) | 6 | | |
| 7 Other expenses (see instructions) | 7 | | |
| 8 Adjusted Net Income (subtract lines 5, 6, and 7 from line 4) | 8 | | |
| Section B - Minimum Asset Amount | | (A) Prior Year | (B) Current Year (optional) |
| 1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year): | | | |
| a Average monthly value of securities | 1a | | |
| b Average monthly cash balances | 1b | | |
| c Fair market value of other non-exempt-use assets | 1c | | |
| d Total (add lines 1a, 1b, and 1c) | 1d | | |
| e Discount claimed for blockage or other factors <i>(explain in detail in Part VI):</i> | | | |
| 2 Acquisition indebtedness applicable to non-exempt-use assets | 2 | | |
| 3 Subtract line 2 from line 1d. | 3 | | |
| 4 Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions). | 4 | | |
| 5 Net value of non-exempt-use assets (subtract line 4 from line 3) | 5 | | |
| 6 Multiply line 5 by 0.035. | 6 | | |
| 7 Recoveries of prior-year distributions | 7 | | |
| 8 Minimum Asset Amount (add line 7 to line 6) | 8 | | |
| Section C - Distributable Amount | | | Current Year |
| 1 Adjusted net income for prior year (from Section A, line 8, column A) | 1 | | |
| 2 Enter 0.85 of line 1. | 2 | | |
| 3 Minimum asset amount for prior year (from Section B, line 8, column A) | 3 | | |
| 4 Enter greater of line 2 or line 3. | 4 | | |
| 5 Income tax imposed in prior year | 5 | | |
| 6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions). | 6 | | |
| 7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions). | | | |

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

| Section D - Distributions | | Current Year |
|---------------------------|---|--------------|
| 1 | Amounts paid to supported organizations to accomplish exempt purposes | 1 |
| 2 | Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity | 2 |
| 3 | Administrative expenses paid to accomplish exempt purposes of supported organizations | 3 |
| 4 | Amounts paid to acquire exempt-use assets | 4 |
| 5 | Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>) | 5 |
| 6 | Other distributions (describe in Part VI). See instructions. | 6 |
| 7 | Total annual distributions. Add lines 1 through 6. | 7 |
| 8 | Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions. | 8 |
| 9 | Distributable amount for 2024 from Section C, line 6 | 9 |
| 10 | Line 8 amount divided by line 9 amount | 10 |

| Section E - Distribution Allocations (see instructions) | (i) Excess Distributions | (ii) Underdistributions Pre-2024 | (iii) Distributable Amount for 2024 |
|---|-----------------------------|--|---|
| 1 Distributable amount for 2024 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2024 (reasonable cause required - <i>explain in Part VI</i>). See instructions. | | | |
| 3 Excess distributions carryover, if any, to 2024 | | | |
| a From 2019 | | | |
| b From 2020 | | | |
| c From 2021 | | | |
| d From 2022 | | | |
| e From 2023 | | | |
| f Total of lines 3a through 3e | | | |
| g Applied to under distributions of prior years | | | |
| h Applied to 2024 distributable amount | | | |
| i Carryover from 2019 not applied (see instructions) | | | |
| j Remainder. Subtract lines 3g, 3h, and 3i from line 3f. | | | |
| 4 Distributions for 2024 from Section D, line 7: \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2024 distributable amount | | | |
| c Remainder. Subtract lines 4a and 4b from line 4. | | | |
| 5 Remaining underdistributions for years prior to 2024, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions. | | | |
| 6 Remaining underdistributions for 2024. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions. | | | |
| 7 Excess distributions carryover to 2025. Add lines 3j and 4c. | | | |
| 8 Breakdown of line 7: | | | |
| a Excess from 2020 | | | |
| b Excess from 2021 | | | |
| c Excess from 2022 | | | |
| d Excess from 2023 | | | |
| e Excess from 2024 | | | |

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

**Schedule B
(Form 990)**(Rev. December 2024)
Department of the Treasury
Internal Revenue Service**Schedule of Contributors**Attach to Form 990, 990-EZ, or 990-PF.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

Name of the organization

Penobscot Valley Hospital

Employer identification number

01-0545327

Organization type (check one):

Filers of:Form 990 or 990-EZ 501(c)(3) (enter number) organization 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation 527 political organizationForm 990-PF 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule** For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.**Special Rules** For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II. For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III. For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year \$ _____**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization

Penobscot Valley Hospital

Employer identification number

01-0545327

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

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|------------|-----------------------------------|----------------------------|---|
| 1 | | \$ 440,187. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

Name of organization

Employer identification number

Penobscot Valley Hospital

01-0545327

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

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
|------------------------------|--|---|----------------------|
| | | \$ _____ | _____ |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
| | | \$ _____ | _____ |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
| | | \$ _____ | _____ |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
| | | \$ _____ | _____ |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
| | | \$ _____ | _____ |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
| | | \$ _____ | _____ |

Name of organization

Employer identification number

Penobscot Valley Hospital

01-0545327

Part III

Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) \$ _____
Use duplicate copies of Part III if additional space is needed.

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

A Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check if the filing organization checked box A and "limited control" provisions apply.

| Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) | | (a) Filing organization's totals | (b) Affiliated group totals |
|--|--|---|------------------------------------|
| 1a Total lobbying expenditures to influence public opinion (grassroots 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: | THEN the lobbying nontaxable amount is: | | |
| not over \$500,000 | 20% of the amount on line 1e. | | |
| over \$500,000 but not over \$1,000,000 | \$100,000 plus 15% of the excess over \$500,000. | | |
| over \$1,000,000 but not over \$1,500,000 | \$175,000 plus 10% of the excess over \$1,000,000. | | |
| over \$1,500,000 but not over \$17,000,000 | \$225,000 plus 5% of the excess over \$1,500,000. | | |
| over \$17,000,000 | \$1,000,000. | | |
| g Grassroots nontaxable amount (enter 25% of line 1f) | | | |
| h Subtract line 1g from line 1a. If zero or less, enter -0 | | | |
| i Subtract line 1f from line 1c. If zero or less, enter -0 | | | |
| j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period

| Calendar year (or fiscal year beginning in) | (a) 2021 | (b) 2022 | (c) 2023 | (d) 2024 | (e) Total |
|---|----------|----------|----------|----------|-----------|
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

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

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

| | (a) | | (b) |
|--|-----|----|--------|
| | Yes | No | Amount |
| 1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | | | |
| a Volunteers? | | X | |
| b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | X | |
| c Media advertisements? | | X | |
| d Mailings to members, legislators, or the public? | | X | |
| e Publications, or published or broadcast statements? | | X | |
| f Grants to other organizations for lobbying purposes? | | X | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body? | | X | |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | X | |
| i Other activities? | X | | 4,712. |
| j Total. Add lines 1c through 1i | | | 4,712. |
| 2a Did the activities in line 1 cause the organization to not be described in section 501(c)(3)? | | X | |
| b If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

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

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

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

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

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

Part II-B, Line 1, Lobbying Activities:

The Organization pays dues to the Maine Hospital Association (MHA) and American Hospital Association (AHA). A portion of dues paid to the MHA and AHA are attributable to lobbying expenses.

SCHEDULE D

(Form 990)

(Rev. December 2024)

Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

OMB No. 1545-0047

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

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.Open to Public
Inspection

Name of the organization

Penobscot Valley Hospital

Employer identification number

01-0545327

Part I**Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

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

Part II**Conservation Easements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

| | | |
|---|---|---|
| 1 Purpose(s) of conservation easements held by the organization (check all that apply). | <input type="checkbox"/> Preservation of land for public use (for example, recreation or education) | <input type="checkbox"/> Preservation of a historically important land area |
| | <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| | <input type="checkbox"/> Preservation of open space | |
| 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. | | Held at the End of the Tax Year |
| a Total number of conservation easements | 2a | |
| b Total acreage restricted by conservation easements | 2b | |
| c Number of conservation easements on a certified historic structure included on line 2a | 2c | |
| d Number of conservation easements included on line 2c acquired after July 25, 2006, and not on a historic structure listed in the National Register | 2d | |
| 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year | | |
| 4 Number of states where property subject to conservation easement is located | | |
| 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year | | |
| 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year | | |
| 8 Does each conservation easement reported on line 2d above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements. | | |

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

| | |
|--|----------|
| 1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items. | |
| b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items. | |
| (i) Revenue included on 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 FASB ASC 958 relating to these items: | |
| a Revenue included on Form 990, Part VIII, line 1 | \$ |
| b Assets included in Form 990, Part X | \$ |

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

Schedule D (Form 990) (Rev. 12-2024)

LHA 432051 01-02-25

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

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

a Public exhibition d Loan or exchange program
b Scholarly research e Other _____
c Preservation for future generations

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

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

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

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

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

| | Amount |
|-----------|--------|
| 1c | |
| 1d | |
| 1e | |
| 1f | |

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

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

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

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

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

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

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

(i) Unrelated organizations?

(ii) Related organizations?

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

| | Yes | No |
|--------|-----|----|
| 3a(i) | | |
| 3a(ii) | | |
| 3b | | |

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

Part VI Land, Buildings, and Equipment

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---------------------------------------|--------------------------------------|---------------------------------|------------------------------|--------------------|
| 1a Land | | 28,897. | | 28,897. |
| b Buildings | | 7,879,887. | 6,189,843. | 1,690,044. |
| c Leasehold improvements | | 16,080. | 15,080. | 1,000. |
| d Equipment | | 7,750,478. | 6,106,822. | 1,643,656. |
| e Other | | 383,705. | 311,023. | 72,682. |
| | | | | 24,426,272. |

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B)) ...

3,436,279.

Part VII Investments - Other Securities

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

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation: Cost or end-of-year market value |
|---|----------------|---|
| (1) Financial derivatives | | |
| (2) Closely held equity interests | | |
| (3) Other | | |
| (A) | | |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| Total. (Col. (b) must equal Form 990, Part X, line 12, col. (B)) | | |

Part VIII Investments - Program Related.

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

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

Part IX Other Assets

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

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

Part X Other Liabilities

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

| (a) Description of liability | (b) Book value |
|---|-------------------|
| (1) Federal income taxes | |
| (2) Estimated Third-Party Payor Settlements | 1,388,046. |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, line 25, col. (B)) | 1,388,046. |

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

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

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

| | | | |
|---|---|----|--|
| 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 (losses) on investments | 2a | |
| b | Donated services and use of facilities | 2b | |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII.) | 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 XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5 | |

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

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

| | | |
|--|----|----|
| 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 Other losses | 2c | |
| d Other (Describe in Part XIII.) | 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 XIII.) | 4b | |
| c Add lines 4a and 4b | | 4c |
| 5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | | 5 |

Part XIII | Supplemental Information

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

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

Complete if the organization answered "Yes" on Form 990, Part IV, question 20a.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2024

Open to Public
Inspection

Name of the organization

Penobscot Valley Hospital

Employer identification number
01-0545327

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy (FAP) during the tax year? If "No," skip to question 6a
b If "Yes," was it a written policy?

2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the FAP to its various hospital facilities during the tax year:
 Applied uniformly to all hospital facilities Applied uniformly to most hospital facilities
 Generally tailored to individual hospital facilities

3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.

a Did the organization use federal poverty guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:
 100% 150% 200% Other _____ %

b Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:
 200% 250% 300% 350% 400% Other 225 %

c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.

4 Did the organization's FAP that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?

5a Did the organization budget amounts for free or discounted care provided under its FAP during the tax year?

b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?

c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?

6a Did the organization prepare a community benefit report during the tax year?

b If "Yes," did the organization make it available to the public?

| | Yes | No |
|----|-----|----|
| 1a | X | |
| 1b | X | |
| 3a | X | |
| 3b | X | |
| 4 | X | |
| 5a | X | |
| 5b | | X |
| 5c | | |
| 6a | X | |
| 6b | X | |

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

7 Financial Assistance and Certain Other Community Benefits at Cost

| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|---|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| a Financial assistance at cost (from Worksheet 1) | | | 89,971. | | 89,971. | .35% |
| b Medicaid (from Worksheet 3, column a) | | | 4496665. | 4130589. | 366,076. | 1.43% |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total. Financial assistance and means-tested government programs | | | 4586636. | 4130589. | 456,047. | 1.78% |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | 205 | | 18,717. | 750. | 17,967. | .07% |
| f Health professions education (from Worksheet 5) | 37 | | 45,502. | | 45,502. | .18% |
| g Subsidized health services (from Worksheet 6) | | | | | | |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 18,172. | | 18,172. | .07% |
| j Total. Other benefits | 242 | | 82,391. | 750. | 81,641. | .32% |
| k Total. Add lines 7d and 7j | 242 | | 4669027. | 4131339. | 537,688. | 2.10% |

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

| | |
|---|--|
| 1 | Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? |
| 2 | Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount |
| 3 | Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's FAP. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit |
| 4 | Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements. |

| | | Yes | No |
|----------------------------------|------------|-----|----|
| ent Association | | 1 | X |
| 2 | | | |
| 3 | | | |
| s bad debt | | | |
| ents. | | | |
| 5 | 5,184,952. | | |
| 6 | 5,184,952. | | |
| 7 | | | |
| nunity benefit. | | | |
| ed on line 6. | | | |
| x year contain provisions on the | | | |
| 9a | | X | |

Section B. Medicare

| | | | |
|---|--|---|------------|
| 5 | Enter total revenue received from Medicare (including DSH and IME) | 5 | 5,184,952. |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5 | 6 | 5,184,952. |
| 7 | Subtract line 6 from line 5. This is the 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. | | |

Also describe in Part VI the costing methodology

Check the box that describes the method used:

Cost accounting system

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?

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

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? **1**

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility):

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

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

Name of hospital facility or letter of facility reporting group: Penobscot Valley Hospital

Line number of hospital facility, or line numbers of hospital

facilities in a facility reporting group (from Part V, Section A): 1

| | Yes | No |
|--|-----|----|
| Community Health Needs Assessment (CHNA) | | |
| 1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? | 1 | X |
| 2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C | 2 | X |
| 3 During the tax year or either of the 2 immediately preceding tax years, did the hospital facility conduct a CHNA? If "No," skip to line 12 | 3 | X |
| If "Yes," indicate what the CHNA report describes (check all that apply): | | |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The significant health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA | | |
| j <input type="checkbox"/> Other (describe in Section C) | | |
| 4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 22</u> | | |
| 5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 5 | X |
| 6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C | 6a | X |
| 6b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C | 6b | X |
| 7 Did the hospital facility make its CHNA report widely available to the public? | 7 | X |
| If "Yes," indicate how the CHNA report was made widely available (check all that apply): | | |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>pvhme.org/community-health-needs-assessme</u> | | |
| b <input type="checkbox"/> Other website (list url): _____ | | |
| c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility | | |
| d <input type="checkbox"/> Other (describe in Section C) | | |
| 8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 | 8 | X |
| 9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 22</u> | | |
| 10 Is the hospital facility's most recently adopted implementation strategy posted on a website? | 10 | X |
| a If "Yes," list url: <u>pvhme.org/community-health-needs-assessment/</u> | | |
| b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? | 10b | |
| 11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed. | | |
| 12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | 12a | X |
| b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? | 12b | |
| c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? <u>\$</u> | | |

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group: Penobscot Valley Hospital

| | Yes | No |
|---|-----------|--|
| Did the hospital facility have in place during the tax year a written FAP that: | | |
| 13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? | 13 | <input checked="" type="checkbox"/> X |
| If "Yes," indicate the eligibility criteria explained in the FAP: | | |
| a <input checked="" type="checkbox"/> FPG, with FPG family income limit for eligibility for free care of and FPG family income limit <u>150</u> % for eligibility for discounted care of <u>225</u> % | | |
| b <input type="checkbox"/> Income level other than FPG (describe in Section C) | | |
| c <input type="checkbox"/> Asset level | | |
| d <input type="checkbox"/> Medical indigency | | |
| e <input type="checkbox"/> Insurance status | | |
| f <input type="checkbox"/> Underinsurance status | | |
| g <input type="checkbox"/> Residency | | |
| h <input checked="" type="checkbox"/> Other (describe in Section C) | | |
| 14 Explained the basis for calculating amounts charged to patients? | 14 | <input checked="" type="checkbox"/> X |
| 15 Explained the method for applying for financial assistance? | 15 | <input checked="" type="checkbox"/> X |
| If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply): | | |
| a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of their application | | |
| b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of their application | | |
| c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process | | |
| d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications | | |
| e <input type="checkbox"/> Other (describe in Section C) | | |
| 16 Was widely publicized within the community served by the hospital facility? | 16 | <input checked="" type="checkbox"/> X |
| If "Yes," indicate how the hospital facility publicized the policy (check all that apply): | | |
| a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Page 8</u> | | |
| b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Page 8</u> | | |
| c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 8</u> | | |
| d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention | | |
| h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP | | |
| i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by limited-English proficiency (LEP) populations | | |
| j <input checked="" type="checkbox"/> Other (describe in Section C) | | |

Schedule H (Form 990) 2024

Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group: Penobscot Valley Hospital

| | Yes | No |
|---|-----|----|
| 17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written FAP that explained all of the actions the hospital facility or other authorized party may take upon nonpayment? | 17 | X |
| 18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP: | | |
| a <input type="checkbox"/> Reporting to credit agency(ies) | | |
| b <input type="checkbox"/> Selling an individual's debt to another party | | |
| c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP | | |
| d <input type="checkbox"/> Actions that require a legal or judicial process | | |
| e <input type="checkbox"/> Other similar actions (describe in Section C) | | |
| f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted | | |
| 19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? | 19 | X |
| If "Yes," check all actions in which the hospital facility or a third party engaged: | | |
| a <input type="checkbox"/> Reporting to credit agency(ies) | | |
| b <input type="checkbox"/> Selling an individual's debt to another party | | |
| c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP | | |
| d <input type="checkbox"/> Actions that require a legal or judicial process | | |
| e <input type="checkbox"/> Other similar actions (describe in Section C) | | |
| 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) on line 19 (check all that apply): | | |
| a <input checked="" type="checkbox"/> Provided a written notice about upcoming extraordinary collection actions (ECAs) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C) | | |
| b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C) | | |
| c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C) | | |
| d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C) | | |
| e <input type="checkbox"/> Other (describe in Section C) | | |
| f <input type="checkbox"/> None of these efforts were made | | |

Policy Relating to Emergency Medical Care

| | | |
|--|----|---|
| 21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's FAP? | 21 | X |
| If "No," indicate why: | | |
| a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions | | |
| b <input type="checkbox"/> The hospital facility's policy was not in writing | | |
| c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) | | |
| d <input type="checkbox"/> Other (describe in Section C) | | |

Part V Facility Information (continued)**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group: Penobscot Valley Hospital

22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care:

- a The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d The hospital facility used a prospective Medicare or Medicaid method

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C.

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

If "Yes," explain in Section C.

| | Yes | No |
|----|-----|----|
| 22 | | |
| 23 | X | |
| 24 | X | |

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Penobscot Valley Hospital:

Part V, Section B, Line 5: Per the Maine Shared CHNA charter, the effort was governed by the Steering Committee. The Metrics Committee and Community Engagement Committee provide input. The Maine CDC and its epidemiology contractor, University of Southern Maine, provided a significant amount of data analysis. The 2021-2022 Maine Shared CHNA process was rolled out in three stages:

Data Analysis:

220 indicators were selected for the State of Maine, the 16 counties, Public Health districts, cities which were selected and in some cases selected demographics.

Outreach and Engagement:

Community outreach was conducted in 2021. Community forums were conducted with residents and service providers in all 16 counties. The purpose of this outreach was to gather feedback on data and to identify health priorities, community assets, and gaps in resources to be used in health improvement planning.

Final Reports:

Reports for the state, each county, and districts were developed in the spring of 2022. These reports included information from the health data profiles, summaries of qualitative information gathered from engagement activities, and a presentation of community health needs. Health priorities for the county, public health district, and the state were developed through community participation and voting at community forums.

The Penobscot County Community Forum was an opportunity for review of the Penobscot County Health Profile, discussion of community needs, and prioritization in small break-out sessions followed by a forum session vote. Ten priorities arose from the break-out sessions. The top four became the areas to work on.

1. Mental Health 59%
2. Substance and Alcohol Abuse 46%
3. Access to Care 42%
4. Social Determinants of Health 40%

Penobscot Valley Hospital:

Part V, Section B, Line 6a: - Central Maine Healthcare (CMHC)

- Maine General Health (MGH)

- Maine-Health (MH)

- Northern Light Health (NLH)

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Penobscot Valley Hospital:

Part V, Section B, Line 6b: Maine Center for Disease Control and Prevention (Maine CDC)

Penobscot Valley Hospital:

Part V, Section B, Line 11: In 2024, PVH offered access to mental health services with telepsych services for both ED patients and inpatients as well as outpatient Behavioral Health counseling through telepsych services. In 2024, PVH the Outpatient Telehealth program in the ED expanded in volume.

PVH has addressed substance use disorder through 2024 by building community partnerships with Save A Life Recovery Resource Center, among others. Penobscot Valley Hospital treats substance use disorder patients through emergency services, primary care practices and specialty. Patients with a need to substance use disorder detox are being referred to services in Bangor, ME when appropriate. The Penobscot Valley Hospital staff works to assist substance use disorder patients who are in need of shelter, medication assisted treatment, food, or any other need. In 2024, Behavioral Health staff trained in project ECHO to use technology to leverage scarce resources, trained in best practices to reduce disparity and care learning to master complexity and trained to use data to monitor outcomes to increase impact.

Access to care has been identified as another need in Penobscot County. PVH has continued to recruit for primary care providers throughout 2023 to increase access to care for patients in Penobscot County. In 2024, PVH added a primary care provider and continued telehealth services in primary care.

PVH continues to forge partnerships around the state to improve the lives of the public in Penobscot County, assisting patients to find shelter, food, and transportation. A screening process for social determinants of health as well as a referral system have been implemented. PVH actively participates with the American Red Cross to assist with blood drives. PVH promotes health related topics on its social media to help educate the public. PVH collects new winter outerwear to donate to area schools and Christmas gifts for area Nursing home resident's that may not have family. Penobscot Valley Hospital offered free vaccinations to those eligible through the Maine IMPACT program. In 2024, PVH increased screening for social determinates of health. A social worker assists in the ED and with inpatients with social needs.

Penobscot Valley Hospital:

Part V, Section B, Line 13h: State Regulation

Penobscot Valley Hospital

Part V, line 16a, FAP website:

<https://pvhme.org/patient-resources/billing-help/>

Penobscot Valley Hospital

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Part V, line 16b, FAP Application website:

<https://pvhme.org/patient-resources/billing-help/>

Penobscot Valley Hospital

Part V, line 16c, FAP Plain Language Summary website:

<https://pvhme.org/patient-resources/billing-help/>

Penobscot Valley Hospital:

Part V, Section B, Line 16j: The FAP application is sent with all first time statements. A notice of the FAP and a copy of the FAP application is also posted in the Billing Help section of the Organization's website.

Notices are also posted at all patient entrances to the Hospital and at various locations within the building.

Part V Facility Information (continued)

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 0

Schedule H (Form 990) 2024

Part VI Supplemental Information

Provide the following information.

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

Part II, Community Building Activities:

Many families rely on Penobscot Valley Hospital (PVH) for a comprehensive range of services. Without access to these services including primary and preventative care, chronic diseases may go untreated. Often this results in poor health with high emergent or inpatient costs. At PVH, we strive to be our Community's first choice in healthcare, known for a culture of compassion, quality, and safety: to be an excellent community partner, working together every day to improve the health and well-being of those we serve.

Throughout 2024, the Hospital partnered with many other organizations to reach people within our communities to educate, train, and inform, including Colonial Healthcare, Cummings Healthcare, Lakeview Terrace, Care Ridge Estates, Eastern Maine Community College, Husson College, LifeFlight, Lincoln Police & Fire Departments, Maine Breast & Cervical Health Program, Maine Centers for Disease Control and Prevention, Hospice, Maine Department of Transportation, Mayo Regional Hospital, Millinocket Regional Hospital, New England Organ Bank, Northern Penobscot Tech Region III, Raising Readers Program, American Red Cross, RSU #67, SAD #31, Academy of Nutrition and Dietetics, Breathe Easy Maine through MaineHealth, The American Heart Association, Healthcare.gov, the Maine Emergency Management Agency, the National Heart, Lung and Blood Institute, the University of Maine, University of New England, University of Vermont, Husson University, and more.

By employing about 200 people in the community, PVH is a leader in creating good paying jobs, and contributing to a positive economy in the region. With the "ripple effect" (jobs the hospital helped create, and dollars spent in the area), the U.S. Department of Commerce's Bureau of Economic Analysis determined the multiplier for employment in Maine to be 2.1174, meaning for every employed person in a hospital in Maine, there is another 1.174 jobs created in supporting industries.

PVH does not turn away people who need vital care, regardless of their ability to pay. Each person the hospital treats receives the same high-quality care with the utmost compassion from our staff. Our hospital is providing more Free Care, which includes charity care and bad debts, than ever before. Other direct impacts that PVH provides to the community

Part VI Supplemental Information (Continuation)

that are served:

Education/Scholarships:

1. Published educational articles on social media on topics such as hand hygiene, disease prevention, tick prevention, diabetes education, nutritional advice, water safety, hyperthermia prevention, suicide prevention, mental health awareness, fentanyl awareness, and alcohol awareness.
2. Staff create educational displays in our lobby.
3. Laboratory staff made weekly visits to area nursing homes to collect specimens from residents.
4. Trained incoming CNA's and RN's to draw blood, do some CLIA-waived testing.
5. PVH is a clinical site for Northern Penobscot Tech Region III, and several colleges and universities.

During 2024, PVH had students conducting clinical rotations here for certifications with Medical Assistant, Certified Nursing Assistant and Phlebotomy. Husson University, Eastern Maine Community College and the University of Maine sent students to the PVH nursing departments for their rotations. PVH has also worked with the Eastern Maine Community College Radiology Program. PVH has also provided emergency medicine training of family medicine residents from Eastern Maine Medical Center. Time spent with students varies from a couple of hours to the entire semester of hands-on education. The demand to utilize PVH as a clinical site has increased over the last several years.

Promote Organ Donation from October to April. PVH provides information regarding organ donation with social media posts, and the Lincoln News.

For national donor month in April, PVH flies the organ donor flag for the month, plus have a display with information for the public. PVH has won HRSA awards for the work that the employees do for organ donation.

In 2024, Penobscot Valley Hospital won the Breathe Easy Platinum Award from the MaineHealth Center for Tobacco Independence.

Penobscot Valley Hospital volunteers, staff, and providers are committed to providing quality healthcare services to the people in our community. In 2024, staff provided:

1. Books for pediatric patients at well child checkups for through Raising Readers.
2. Vaccinations through the Maine Impact Program.
3. Substance Abuse prevention education.
4. Free gym visits to community.
5. Collect pet supplies for area animal shelters.

Part VI **Supplemental Information** (Continuation)

6. Holiday gifts for area nursing home residents.

7. Donated winter outerwear to area schools over the holidays.

Part III, Line 4:

Please refer to pages 9-10 and page 13 of the attached audited financial statements.

Part III, Line 8:

The Organization uses its Medicare Cost Report to obtain the amounts reported above.

Part III, Line 9b:

The Hospital would not initiate collection efforts against a patient that qualified for a sliding fee scale unless that patient failed to meet their obligation under payment arrangement agreed to by both parties. After it was determined that the patient did not qualify for a readjustment to their payment terms, the Hospital would follow normal notification practices dictated by our collection policy until the account eventually ended up in collections.

Part VI, Line 2:

The Organization took a comprehensive approach to assess community health needs. Several independent data analyses were performed based on secondary source data, augmented with local survey data, and any data inconsistency or discrepancies are resolved from the combined opinions formed from local experts. PVH relies on secondary source data, and most secondary sources use the county as the smallest unit of analysis. We asked our local expert area residents to note if they perceived the problems or needs identified by secondary sources to exist in their portion of the county.

Most data used in the analysis is available from public internet sources. Critical data needed to address specific regulations or developed by the individuals cooperating with us in this study is displayed in the report of the appendix.

Part VI, Line 3:

Notices regarding PVH's charity care policy are posted at Registration, Emergency Room and the hospital's website: www.pvhme.org. Our employees also know to refer patients to the registration or billing offices of the hospital if they have questions.

Part VI, Line 4:

Lincoln is a rural community of approximately 4,900 people located in north central Maine. Our service area consists of many small towns that use Lincoln as a hub. The hospital, school system, and logging companies, are the major employers in town. Life and industry primarily revolve around the woods of central Maine. It is an area rich with history for making paper.

Maine is one of the oldest states in the nation according to the latest US Census report, and Lincoln reflects that demographic. The median resident age in 2022 was 60.2. Lincoln is located in a modest area of the State, where the median resident income in 2022 was \$41,080. Maine's average income for that same time period was \$75,740.

Part VI Supplemental Information (Continuation)

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

ME

SCHEDULE J
(Form 990)(Rev. December 2024)
Department of the Treasury
Internal Revenue Service**Compensation Information**For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

**Open to Public
Inspection**

Name of the organization

Penobscot Valley HospitalEmployer identification number
01-0545327**Part I Questions Regarding Compensation**

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

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

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

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

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

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

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

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

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

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

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

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

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

a The organization?

b Any related organization?

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

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

a The organization?

b Any related organization?

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

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

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

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

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

Schedule J (Form 990) (Rev. 12-2024)

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

For each individual whose compensation must be reported on 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 aren't listed on Form 990, Part VII.

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

Part III Supplemental Information

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

Part I, Line 7:

Per Diem employees who worked at least 1040 hours during the previous 365 days are paid \$500 for every 200 hours worked during one quarter of the year. This bonus is not new and is based on time worked, but not related to the hospital's revenue. Todd Tritch's bonus is holiday pay.

**SCHEDULE O
(Form 990)**

(Rev. December 2024)

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

Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

Open to Public
Inspection

Name of the organization

Penobscot Valley Hospital

Employer identification number
01-0545327**Form 990, Part VI, Section B, line 11b:**

Once Form 990 is prepared by the certified public accounting firm, a draft copy is e-mailed to the Financial Reporting Manager. The CFO & Financial Reporting Manager will then review the Form and also compare it with the previous year's 990. Once the CFO & Financial Reporting Manager are satisfied with the draft copy, it is forwarded to the CEO. The CEO will then review the document. Any questions will either be answered by the Financial Reporting Manager or the accounting firm. Once the CEO approves the draft 990, a copy is provided to the board of directors for their review. Once the board has approved the draft, the accounting firm is notified and the final version is prepared for filing.

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

It is the expectation of Penobscot Valley Hospital that our board of directors, medical staff, regular and contracted employees, and our volunteers avoid activities that may involve, or appear to involve, a conflict of interest. This is a standard of conduct communicated through Administrative Policy 109 "Code of Ethics," our code of conduct and ethics, and our medical by-laws. These documents are drafted and signed off by the president of the board of directors, the chief executive officer, chief of medical staff and the compliance officer as appropriate. Every individual employed by, or otherwise representing the Hospital, is responsible for complying with this standard.

It is the responsibility of the compliance officer and the chief executive officer to ensure that this standard is communicated, maintained and enforced within the Organization. Administrative Policy 127 "Compliance Reporting" outlines the expectation for reporting non-compliance, the mechanisms in place to do so, and the investigative process. Such mechanisms include a 24-hour confidential reporting hotline. Education on Penobscot Valley Hospital's code of conduct and ethics is provided during orientation or at the beginning of the business relationship. Reinforcement of this education is provided annually and upon any business contract renewal.

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

CEO's wages come from the 2022 Northern New England Healthcare Compensation Survey by Gallagher. Ranges are presented to the finance/personnel committee of the board and the wage is set by the board. Other officers wages are also set by utilizing the survey. Wages are set by evaluating the position in conjunction with the job description listed in the survey.

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

The Organization does not make its governing documents, conflict of interest policy, and financial statements available to the public.

Form 990, Part IX, Line 11g, Other Fees:

Physician Fees:

Program service expenses 2,862,199.

Management and general expenses 0.

Fundraising expenses 0.

Total expenses 2,862,199.

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

Schedule O (Form 990) (Rev. 12-2024)

LHA 432211 01-15-25

Name of the organization

Penobscot Valley Hospital

Employer identification number

01-0545327

Purchased Services:

| | |
|--|------------|
| Program service expenses | 2,755,861. |
| Management and general expenses | 855,831. |
| Fundraising expenses | 0. |
| Total expenses | 3,611,692. |
| Total Other Fees on Form 990, Part IX, line 11g, Col A | 6,473,891. |

Form 990, Part X, Line 10: Land, Buildings, and EquipmentSection 1.263(a)-3(n) Election:

Penobscot Valley Hospital
PO Box 368
Lincoln, ME 04457
EIN 01-0545327

Penobscot Valley Hospital is electing to capitalize repair and maintenance costs under Regulation Section 1.263(a)-3(n).

Form 990, Part XI, line 9, Changes in Net Assets:

| | |
|-----------------|---------|
| Equity Transfer | 76,976. |
|-----------------|---------|

Name of the organization

Penobscot Valley Hospital

Employer identification number
01-0545327

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

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

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

Schedule R (Form 990) (Rev. 1-2025)

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

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

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)
- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)
- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses
- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

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

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|---|----------------------------------|------------------------|--|
| <u>(1) Alpine Health Services, Inc.</u> | S | 76,976. | FMV |
| <u>(2)</u> | | | |
| <u>(3)</u> | | | |
| <u>(4)</u> | | | |
| <u>(5)</u> | | | |
| <u>(6)</u> | | | |

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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.

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

**Penobscot
Valley
Hospital**



Penobscot Valley Hospital and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

December 31, 2024 and 2023

**With Independent Auditor's Report and Government Reports in Accordance
with *Government Auditing Standards* and the Uniform Guidance**

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Consolidated Financial Statements

December 31, 2024 and 2023

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BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Penobscot Valley Hospital and Subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Penobscot Valley Hospital and Subsidiary, which comprise the consolidated balance sheet as of December 31, 2024 and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the 2024 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Penobscot Valley Hospital and Subsidiary as of December 31, 2024, and the results of their operations, changes in their net assets and their cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Penobscot Valley Hospital and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt about the Hospital's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that Penobscot Valley Hospital and Subsidiary will continue as a going concern. As discussed in Note 10 to the consolidated financial statements, Penobscot Valley Hospital and Subsidiary has experienced significant operating losses for several years, which raises substantial doubt about Penobscot Valley Hospital and Subsidiary's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 10. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Prior Period Consolidated Financial Statements

The consolidated financial statements of Penobscot Valley Hospital and Subsidiary as of the year ended December 31, 2023 were audited by Berry, Dunn, McNeil & Parker, LLC, whose report dated May 21, 2024 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Penobscot Valley Hospital and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Penobscot Valley Hospital and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Penobscot Valley Hospital and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Schedules 1 and 2 as of and for the year ended December 31, 2024 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operation of the individual entities, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole. The accompanying comparative information included in Schedules 1 through 2 as of and for the year ended December 31, 2023 was subjected to the auditing procedures applied in the 2023 audit of the basic consolidated financial statements by Berry, Dunn, McNeil & Parker, LLC, whose report on such information stated that it was fairly stated in all material respects in relation to the 2023 consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2025 on our consideration of Penobscot Valley Hospital and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Penobscot Valley Hospital and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Penobscot Valley Hospital and Subsidiary's internal control over financial reporting and compliance.

-BDMP Assurance, LLP

Portland, Maine
May 28, 2025

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2024 and 2023

ASSETS

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Current assets | | |
| Cash | \$ 821,880 | \$ 1,104,646 |
| Patient accounts receivable, net | 3,226,407 | 1,954,152 |
| Supplies, prepaid expenses and miscellaneous receivables | <u>719,407</u> | <u>646,389</u> |
| Total current assets | 4,767,694 | 3,705,187 |
| Assets limited as to use | 447,228 | 449,398 |
| Property and equipment, net | 3,561,947 | 3,667,932 |
| Other assets | <u>-</u> | <u>25,113</u> |
| Total assets | \$ 8,776,869 | \$ 7,847,630 |

LIABILITIES AND NET ASSETS

| | | |
|---|----------------------------|----------------------------|
| Current liabilities | | |
| Current portion of long-term debt | \$ 249,310 | \$ 231,317 |
| Accounts payable and accrued expenses | 1,254,864 | 1,000,834 |
| Accrued salaries and related benefits | 994,104 | 949,267 |
| Estimated third-party payor settlements | <u>1,388,046</u> | <u>163,601</u> |
| Total current liabilities | 3,886,324 | 2,345,019 |
| Long-term debt, net of current portion | 3,787,846 | 4,030,482 |
| Deferred compensation | <u>-</u> | <u>25,113</u> |
| Total liabilities | <u>7,674,170</u> | <u>6,400,614</u> |
| Net assets | | |
| Without donor restrictions | 671,247 | 1,211,661 |
| With donor restrictions | <u>431,452</u> | <u>235,355</u> |
| Total net assets | <u>1,102,699</u> | <u>1,447,016</u> |
| Total liabilities and net assets | <u>\$ 8,776,869</u> | <u>\$ 7,847,630</u> |

The accompanying notes are an integral part of these consolidated financial statements.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Consolidated Statements of Operations

Years Ended December 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|-----------------------|
| Revenue, gains, and other support | | |
| Net patient service revenue | \$ 24,374,283 | \$ 22,858,887 |
| Grant revenue | 440,187 | 142,606 |
| Other revenue | <u>241,043</u> | <u>634,207</u> |
| Total revenues, gains, and other support | <u>25,055,513</u> | <u>23,635,700</u> |
| Expenses | | |
| Salaries and benefits | 14,568,572 | 14,096,857 |
| Supplies and other | 10,450,686 | 10,732,978 |
| Depreciation and amortization | 534,053 | 505,240 |
| Interest expense | <u>92,160</u> | <u>110,813</u> |
| Total expenses | <u>25,645,471</u> | <u>25,445,888</u> |
| Operating loss | <u>(589,958)</u> | <u>(1,810,188)</u> |
| Gain on bankruptcy reorganization | <u>-</u> | <u>7,539</u> |
| Other gains | | |
| Investment income | <u>7,078</u> | <u>12,238</u> |
| Total other gains | <u>7,078</u> | <u>12,238</u> |
| Deficiency of revenues, gains, and other support and other gains over expenses | <u>(582,880)</u> | <u>(1,790,411)</u> |
| Net assets released from restrictions used for purchase of property and equipment | <u>42,466</u> | <u>-</u> |
| Change in net assets without donor restrictions | <u>\$ (540,414)</u> | <u>\$ (1,790,411)</u> |

The accompanying notes are an integral part of these consolidated financial statements.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Consolidated Statements of Changes in Net Assets

Years Ended December 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| Without donor restrictions | | |
| Operating loss | \$ (589,958) | \$ (1,810,188) |
| Gain on bankruptcy reorganization | - | 7,539 |
| Investment income | 7,078 | 12,238 |
| Net assets released from restrictions used for purchase of property and equipment | <u>42,466</u> | <u>-</u> |
| Decrease in net assets without donor restrictions | <u>(540,414)</u> | <u>(1,790,411)</u> |
| With donor restrictions | | |
| Contributions | 238,543 | 5,610 |
| Investment income | 20 | 18 |
| Net assets released from restrictions used to purchase property and equipment | <u>(42,466)</u> | <u>-</u> |
| Increase in net assets with donor restrictions | <u>196,097</u> | <u>5,628</u> |
| Change in net assets | (344,317) | (1,784,783) |
| Net asset, beginning of year | <u>1,447,016</u> | <u>3,231,799</u> |
| Net assets, end of year | <u>\$ 1,102,699</u> | <u>\$ 1,447,016</u> |

The accompanying notes are an integral part of these consolidated financial statements.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended December 31, 2024 and 2023

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ (344,317) | \$ (1,784,783) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities | | |
| Depreciation and amortization | 534,053 | 505,240 |
| Gain on bankruptcy reorganization | - | (7,539) |
| Restricted contributions and investment income | (238,563) | (5,628) |
| (Increase) decrease in | | |
| Patient accounts receivable | (1,272,255) | 463,660 |
| Supplies, prepaid expenses, other assets and miscellaneous receivables | (73,018) | 5,029 |
| Increase (decrease) in | | |
| Accounts payable and accrued expenses | 254,030 | (740,648) |
| Accrued salaries and related benefits | 44,837 | 109,063 |
| Estimated third-party payor settlements | 1,224,445 | 851,220 |
| Deferred provider relief and other stimulus funds | - | (103,688) |
| Net cash provided (used) by operating activities | <u>129,212</u> | <u>(708,074)</u> |
| Cash flows from investing activities | | |
| Purchases of property and equipment | (399,583) | (474,470) |
| Sales of investments | - | 204 |
| Net cash used by investing activities | <u>(399,583)</u> | <u>(474,266)</u> |
| Cash flows from financing activities | | |
| Payments on long-term debt | (253,128) | (195,108) |
| Proceeds from restricted contributions and investment income | <u>238,563</u> | <u>5,628</u> |
| Net cash used by financing activities | <u>(14,565)</u> | <u>(189,480)</u> |
| Net decrease in cash and restricted cash | (284,936) | (1,371,820) |
| Cash and restricted cash, beginning of year | <u>1,449,031</u> | <u>2,820,851</u> |
| Cash and restricted cash, end of year | <u>\$ 1,164,095</u> | <u>\$ 1,449,031</u> |
| Breakdown of cash and restricted cash, end of year: | | |
| Cash | \$ 821,880 | \$ 1,104,646 |
| Restricted cash included in assets limited as to use | <u>342,215</u> | <u>344,385</u> |
| | <u>\$ 1,164,095</u> | <u>\$ 1,449,031</u> |
| Supplemental disclosure: | | |
| Cash paid for interest | <u>\$ 92,160</u> | <u>\$ 110,813</u> |
| Noncash transactions: | | |
| In 2024 and 2023, the Hospital entered into long term debt obligations, acquiring property and equipment with a value of \$28,485 and \$356,432, respectively. The financing commitments and related assets have been treated as noncash transactions. | | |

The accompanying notes are an integral part of these consolidated financial statements.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Nature of Operations

Penobscot Valley Hospital (the Hospital) is a not-for-profit organization located in Lincoln, Maine, established to provide primary, emergency, and acute care services in Northern Penobscot County. Alpine Health Services, Inc. (Alpine) owns and leases property within the same service area.

1. Principles of Consolidation

The consolidated financial statements include the accounts of the Hospital and its wholly-owned, not-for-profit subsidiary, Alpine. All significant intercompany balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Basis of Presentation

Net assets and revenues, expenses, and gains are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic (ASC) 958, *Not-For-Profit Entities*, as described below. Under FASB ASC 958 and FASB ASC 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash in a statement of cash flows, according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Hospital. These net assets may be used at the discretion of the Hospital's management and the Board of Directors (Board).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Hospital or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Revenue Recognition and Patient Accounts Receivable

Net patient service revenue and patient accounts receivable are reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Hospital bills the patients and third-party payors several days after the services are performed or the patient is discharged. Revenue is recognized as performance obligations are satisfied.

The Hospital is not required to adjust the promised amount of consideration for significant financing components, as payment is generally within one year. For agreements allowing payments over longer periods, the financing component is not significant to the contract.

Performance obligations are determined based on the nature of the services provided by the Hospital. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Hospital believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in hospitals receiving inpatient acute care services or patients receiving services in outpatient centers. The Hospital measures the performance obligation from admission into the Hospital or the commencement of an outpatient service to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Hospital is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

The Hospital determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Hospital's policy, and implicit price concessions provided to uninsured patients. The Hospital determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Hospital determines its estimate of implicit price concessions based on its historical collection experience with this class of patients and records these as a direct reduction to patient service revenue. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and changes in commercial contractual terms resulting from contract negotiations and renewals.

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for expected claims and credit losses through a charge to earnings and a credit to a valuation allowance based on historical experience, current conditions, and reasonable and supportive forecasts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable. Changes in the valuation allowance have not been material in the consolidated financial statements. The beginning balance of patient accounts receivable, net, as of January 1, 2023, was \$2,417,812.

Each performance obligation is separately identifiable from other promises in the customer contract. As the performance obligations are met (i.e., room, board, ancillary services, level of care), revenue is recognized based upon the allocated transaction price. The transaction price is allocated to separate performance obligations based upon the relative standalone selling price. In instances where management determines there are multiple performance obligations across multiple months, the transaction price is allocated by applying an estimated implicit and explicit rate to gross charges based on the separate performance obligations.

In assessing collectibility, the Hospital has elected the portfolio approach. This portfolio approach is being used as the Hospital has a large volume of similar contracts with similar classes of customers. The Hospital reasonably expects that the effect of applying a portfolio approach to a group of contracts would not differ materially from considering each contract separately. Management's judgment to group the contracts by portfolio is based on the payment behavior expected in each portfolio category. As a result, aggregating all of the contracts (which are at the patient level) by the particular payor or group of payors, will result in the recognition of the same amount of revenue as applying the analysis at the individual patient level.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Estimated Third-Party Payor Settlements

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

- Medicare - The Hospital is a Critical Access Hospital (CAH) and is reimbursed based on allowable costs for its inpatient and outpatient services provided to Medicare patients. The Hospital is reimbursed at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.
- Medicaid (MaineCare) - As a CAH, the Hospital is also reimbursed based on allowable costs for inpatient and outpatient services rendered to MaineCare patients. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary.
- Tax - The State of Maine assesses a healthcare provider tax (State tax). As a result, the Hospital was subjected to and recorded \$426,737 and \$426,856 in State tax in 2024 and 2023, respectively.
- Other - The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes prospectively-determined rates per discharge, discounted charges and per diem payments.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Hospital's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Hospital. In addition, the contracts the Hospital has with commercial and other payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Hospital's historical settlement activity, including a determination it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

PENOBSCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

The following tables summarize the Hospital's settlements and settlement activity with its significant third-party payors:

As of and for the year ended December 31, 2024:

| | <u>Beginning of Year Settlement Balance</u> | <u>Fiscal Year Estimate</u> | <u>Prior Year Settlements and Adjustments</u> | <u>Current Year Payments or Receipts</u> | <u>End of Year Settlement Balance</u> | <u>Open Settlement Years</u> |
|--------------|---|-----------------------------|---|--|---------------------------------------|------------------------------|
| Medicare | \$ (94,000) | \$ (283,596) | \$ (34,634) | \$ (13,886) | \$ (426,116) | 2023-2024 |
| MaineCare | 419,098 | 14,000 | 234,627 | (738,435) | (70,710) | 2022-2024 |
| Other | (488,699) | (255,000) | 3,080 | (150,600) | (891,219) | 2024 |
| Total | \$ (163,601) | \$ (524,596) | \$ 203,073 | \$ (902,921) | \$ (1,388,045) | |

As of and for the year ended December 31, 2023:

| | <u>Beginning of Year Settlement Balance</u> | <u>Fiscal Year Estimate</u> | <u>Prior Year Settlements and Adjustments</u> | <u>Current Year Payments or Receipts</u> | <u>End of Year Settlement Balance</u> | <u>Open Settlement Years</u> |
|--------------|---|-----------------------------|---|--|---------------------------------------|------------------------------|
| Medicare | \$ 196,000 | \$ (94,000) | \$ - | \$ (196,000) | \$ (94,000) | 2020-2023 |
| MaineCare | 635,000 | (398,000) | 182,098 | - | 419,098 | 2020-2023 |
| Other | (143,381) | 5,000 | 37,682 | (388,000) | (488,699) | 2023 |
| Total | \$ 687,619 | \$ (487,000) | \$ 219,780 | \$ (584,000) | \$ (163,601) | |

The Hospital's patient service revenue by payor consisted of the following for the years ended December 31:

| | 2024 | 2023 |
|--------------------|--------------|--------------|
| Medicare | 21 % | 25 % |
| Medicare Advantage | 28 | 29 |
| MaineCare | 19 | 18 |
| Commercial | 28 | 25 |
| Uninsured | 4 | 3 |
| Total | 100 % | 100 % |

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Charity Care

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

The Hospital maintains records to identify the amount of charges foregone for services and supplies furnished under its charity care policy, as well as the estimated cost of those services and supplies and equivalent service statistics. Costs of providing charity care services are estimated based on an overall consolidated financial statement ratio of Hospital costs to charges applied to charity charges forgone. The following information measures the level of charity care provided during the years ended December 31:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| Charges foregone, based on established rates | <u>\$ 166,003</u> | <u>\$ 209,625</u> |
| Estimated costs and expenses incurred to provide charity care | <u>\$ 92,000</u> | <u>\$ 125,000</u> |
| Equivalent percentage of charity care charges to all Hospital patient charges | <u>0.36%</u> | <u>0.49%</u> |

For uninsured patients who do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical experience, a significant portion of uninsured patients will be unable or unwilling to pay for the services provided. The self-pay allowance in estimating the transaction price represents the difference between amounts billed to patients and the amounts the Hospital expects to collect based on its collection history with this payor class.

Supplies

Supplies are carried at the lower of cost (determined by the first-in, first-out method) or market.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Assets Limited as to Use

Assets limited as to use primarily consist of assets held by trustees under indenture agreements, assets restricted by donors, and designated assets set aside by the Board for future capital improvements, over which the Board retains control and which it may, at its discretion, subsequently use for other purposes.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under finance lease obligations is amortized on the straight-line method over the shorter period of the lease term or the asset's useful life. Such amortization is included in depreciation and amortization in the consolidated financial statements. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. There was no interest capitalized in 2024 or 2023.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions, and are excluded from the excess of revenues, gains, and other support and other gains over expenses and losses, and change in net assets without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Leases

The Hospital evaluates whether contracts qualify as leases at their inception, identifying lease and non-lease components to calculate right-of-use (ROU) assets and liabilities. ROU assets are recorded to reflect the right to use the leased asset for the duration of the lease term, and lease liabilities represent the obligation to make lease payments. These assets and liabilities are recognized at the present value of the expected lease payments, typically calculated using the Hospital's incremental borrowing rate. At the start of the lease, they are classified as either operating or finance leases. The lease term may include options to extend or to terminate the lease that the Hospital is reasonably certain to exercise. Operating lease expenses are recognized on a straight-line basis throughout the lease term, whereas finance leases apply the effective interest rate method. Leases with terms of less than 12 months are not recorded on the consolidated balance sheets but are expensed over the lease term.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Functional Expenses

The consolidated statements of operations report certain expense categories that are attributable to both healthcare services and support functions. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. The expenses that are allocated include employee benefits, which are allocated based on salaries, and occupancy costs, which are allocated by square footage. Expenses related to providing these services were as follows for the years ended December 31:

| <u>2024</u> | Healthcare Services | Support Services | Total |
|-------------------------------|--------------------------------|-----------------------------|-----------------------------|
| Salaries | \$ 10,855,671 | \$ 1,623,400 | \$ 12,479,071 |
| Employee benefits | 1,719,813 | 369,688 | 2,089,501 |
| Purchased services | 2,756,603 | 855,831 | 3,612,434 |
| Professional fees | 2,862,199 | 180,457 | 3,042,656 |
| Supplies | 1,664,783 | 34,327 | 1,699,110 |
| Other | 1,536,772 | 559,714 | 2,096,486 |
| Depreciation and amortization | 288,383 | 245,670 | 534,053 |
| Interest | <u>89,123</u> | <u>3,037</u> | <u>92,160</u> |
| | <u>\$ 21,773,347</u> | <u>\$ 3,872,124</u> | <u>\$ 25,645,471</u> |
| <u>2023</u> | Healthcare Services | Support Services | Total |
| Salaries | \$ 10,532,957 | \$ 1,509,603 | \$ 12,042,560 |
| Employee benefits | 1,696,028 | 358,269 | 2,054,297 |
| Purchased services | 3,474,403 | 431,869 | 3,906,272 |
| Professional fees | 2,911,411 | 84,109 | 2,995,520 |
| Supplies | 1,684,372 | 39,227 | 1,723,599 |
| Other | 1,636,232 | 471,355 | 2,107,587 |
| Depreciation and amortization | 252,318 | 252,922 | 505,240 |
| Interest | <u>98,332</u> | <u>12,481</u> | <u>110,813</u> |
| | <u>\$ 22,286,053</u> | <u>\$ 3,159,835</u> | <u>\$ 25,445,888</u> |

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Income Taxes

The Hospital and its Subsidiary are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (Code), and are exempt from income taxes on related income pursuant to Section 501(a) of the Code.

Defined Contribution Plan

The Hospital offers a 403(b) retirement plan to all of its employees. At its discretion, the Hospital may match participant contributions at 50% of the employee's deferrals up to 3% of compensation. There were no discretionary contributions made by the Hospital in 2024 and 2023.

COVID-19 Relief Funds

The Hospital previously received and recognized funds under various federal COVID-19 relief programs, including the Provider Relief Fund (PRF) and American Rescue Plan (ARP), totaling \$4,911,363, and the Paycheck Protection Program (PPP) totaling \$1,540,275. The PRF and ARP funds remain subject to potential audit or further review by the U.S. Department of Health and Human Services (HHS). The PPP loan forgiveness, approved in February 2022, remains subject to potential audit by the U.S. Small Business Administration (SBA) for a period of six years from the date of forgiveness. The Hospital applied the conditional contribution model and recognized the funds as earned in other revenue in prior periods. No revenue related to these programs was recognized during the years ended December 31, 2024 and 2023.

Due to the complexity of the regulatory requirements, it is possible that the amount of income previously recognized related to lost revenues and COVID-19-related costs may change by a material amount. Any difference between amounts previously estimated and amounts subsequently determined to be recoverable or payable will be included in income in the period in which such amounts become known.

Subsequent Events

The Hospital has considered transactions or events occurring through May 28, 2025, which was the date that the consolidated financial statements were available to be issued.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

3. Availability and Liquidity of Financial Assets

The Hospital had working capital of \$881,370 and \$1,360,149 at December 31, 2024 and 2023, respectively. The Hospital had average days (based on normal expenditures) cash on hand of 9 and 16 at December 31, 2024 and 2023, respectively.

Financial assets available within one year for general expenditure, such as operating expenses, permitted principal payments on debt, and permitted capital construction costs not financed with debt, were as follows as of December 31:

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Cash, net of donor restricted cash | \$ 616,033 | \$ 1,104,646 |
| Patient accounts receivable, net | 3,226,407 | 1,954,152 |
| Miscellaneous receivables | <u>87,462</u> | <u>74,113</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 3,929,902</u> | <u>\$ 3,132,911</u> |

The Hospital has other assets limited as to use of \$28,464 and \$22,860 at December 31, 2024 and 2023, respectively, that are designated assets set aside by the Board of Directors for future capital improvements and other purposes. Therefore, these assets are not available for general expenditure within the next year; however, the internally designated amounts could be made available, if necessary.

The Hospital maintains a cash reserve account with the U.S. Department of Agriculture – Rural Development (USDA-RD). The reserve may be used for unforeseen damages or approved improvements to property, or approved for monthly loan payments. As of December 31, 2024 and 2023, the balance was \$193,159 and \$191,183, respectively.

4. Assets Limited as to Use

Assets limited as to use are comprised of cash and cash equivalents and consist of the following:

| | 2024 | 2023 |
|-------------------------|-------------------|-------------------|
| Under Board designation | \$ 28,464 | \$ 22,860 |
| Under loan agreement | 193,159 | 191,183 |
| Donor restricted | <u>225,605</u> | <u>235,355</u> |
| | <u>\$ 447,228</u> | <u>\$ 449,398</u> |

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

5. Property and Equipment

A summary of property and equipment follows:

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Land and land improvements | \$ 371,135 | \$ 371,135 |
| Buildings and fixed equipment | 11,322,246 | 11,251,556 |
| Major moveable equipment | 4,709,919 | 4,723,918 |
| Vehicles | 63,726 | 92,824 |
| Construction in progress | <u>—</u> | <u>98,030</u> |
| | 16,467,026 | 16,537,463 |
| Less accumulated depreciation and amortization | (12,905,079) | (12,869,531) |
| Net property and equipment | \$ 3,561,947 | \$ 3,667,932 |

Property and equipment includes major moveable equipment recorded under right-of-use assets – finance leases totaling \$571,411 and \$542,926, with related accumulated amortization of \$193,629 and \$77,245 as of December 31, 2024 and 2023, respectively. Amortization expense related to these assets totaled \$116,385 and \$68,399 for the years ended December 31, 2024 and 2023, respectively.

6. Concentrations of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

| | 2024 | 2023 |
|--------------------|---------------------|---------------------|
| Medicare | 13 % | 12 % |
| Medicare Advantage | 17 | 14 |
| MaineCare | 12 | 10 |
| Commercial | 13 | 18 |
| Patients | <u>45</u> | <u>46</u> |
| | <u>100</u> % | <u>100</u> % |

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

7. Long-Term Debt

A summary of long-term debt follows:

| | 2024 | 2023 |
|--|----------------------------|----------------------------|
| 2.125% mortgage notes payable to the USDA-RD, due in monthly installments of \$14,124, including interest, through March 2051; collateralized by substantially all assets of the Hospital. | \$ 3,409,324 | \$ 3,503,626 |
| 2.25% mortgage note payable to the USDA-RD, due in monthly installments of \$987, including interest, through June 2036; collateralized by property in West Enfield, Maine, owned by Alpine. The mortgage has been guaranteed by the Hospital. | 119,131 | 128,923 |
| 5.125% mortgage note payable in monthly installments of \$1,907, including interest, through January 2031; collateralized by certain land and buildings, as well as assignment of leases and rentals of collateral real estate. | 119,139 | 135,358 |
| Finance lease obligation due in monthly installments of \$530, with no interest, through May 2024; collateralized by equipment. | - | 2,752 |
| Finance lease obligation payable in equal monthly installments of \$2,537, with no interest, through June 1, 2025; collateralized by equipment. | 16,160 | - |
| Finance lease obligation due in 60 monthly installments of \$6,872 through May 2028, including interest at 4.87%; collateralized by equipment. | 243,901 | 318,459 |
| Finance lease obligation due in monthly installments of \$2,850 through April 2028, including interest at 3.52%; collateralized by equipment. | 105,362 | 136,769 |
| 5.50% note payable due in monthly installments of \$1,114 through November 2026; collateralized by vehicle. | <u>24,139</u> | <u>35,912</u> |
| Less current portion | <u>4,037,156</u> | <u>4,261,799</u> |
| | <u>249,310</u> | <u>231,317</u> |
| Long-term debt, excluding current portion | <u><u>\$ 3,787,846</u></u> | <u><u>\$ 4,030,482</u></u> |

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

Scheduled repayments on long-term debt and finance leases are as follows:

| <u>Years ending December 31</u> | <u>Long-Term Debt</u> | <u>Finance Lease Obligations</u> |
|---|---------------------------|--|
| 2025 (included in current portion) | \$ 136,874 | \$ 133,064 |
| 2026 | 139,692 | 116,904 |
| 2027 | 131,095 | 116,904 |
| 2028 | 134,514 | 31,700 |
| 2029 | 138,056 | - |
| Thereafter | <u>2,991,502</u> | <u>—</u> |
| | <u>\$ 3,671,733</u> | 398,572 |
| Less amount representing interest under finance lease obligations | | <u>33,149</u> |
| | | <u>\$ 365,423</u> |

The Hospital weighted-average remaining finance lease term (in years) was approximately 3.48 years and 4.49 years in 2024 and 2023, respectively. The weighted-average discount rate was approximately 3.97% and 3.98% in 2024 and 2023, respectively.

The Hospital is required to meet a certain financial measure while there is an outstanding balance on the 5.125% mortgage note agreement. The Hospital did not meet this measure as of December 31, 2024 or 2023. However, the lending institution waived the requirement for December 31, 2024 and 2023 in May 2025 and May 2024, respectively.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Certificate of deposit to be held in perpetuity, the income from which is expendable for indigent care | \$ 76,549 | \$ 76,549 |
| Purpose restricted | | |
| Purchase of equipment and infrastructure improvements | 342,923 | 146,826 |
| Income on certificate of deposit – indigent care | <u>11,980</u> | <u>11,960</u> |
| | <u>\$ 431,452</u> | <u>\$ 235,335</u> |

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

9. Commitments and Contingencies

Commitments

Alpine leases office space to a local healthcare provider for \$36,825 per year under the terms of a one-year lease agreement. The lease renews automatically unless either party gives one-year written notice to terminate the lease.

Approximately 38% of the Hospital's workforce are members of professional/technical and support staff bargaining units. In April 2023, new union contracts were approved and remain in effect for the period of October 1, 2022 through September 30, 2025.

The Hospital entered into a Pharmacy management agreement with CompleteRx in October 2024, for management services for approximately \$307,800 annually for two consecutive year periods.

Medical Malpractice Claims and Other Litigation

The Hospital insures its medical malpractice risks on a claims-made basis under a policy which covers all employees of the Hospital. A claims-made policy provides specified coverage for claims reported during the policy term. The policy contains a provision which allows the Hospital to purchase "tail" coverage for an indefinite period of time to avoid any lapse in insurance coverage. The Hospital is subject to complaints, claims and litigation due to potential claims which arise in the normal course of doing business. U.S. GAAP require the Hospital to accrue the ultimate cost of claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Hospital has evaluated its exposure to losses arising from potential claims and determined that no such accrual is necessary for the years ended December 31, 2024 and 2023. The Hospital intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

Deferred Compensation

The Hospital had established a deferred compensation plan that permits management and highly compensated employees to defer portions of their compensation based on Internal Revenue Service (IRS) guidelines. The Hospital recorded \$25,113 at December 31, 2023, to reflect its liability under this plan. The Hospital recorded a corresponding asset of \$25,113, which is included in other assets in the consolidated balance sheets. The plan was terminated during 2024.

Rental Agreements and Leases

The Hospital rents various office, housing space, and medical equipment. The Hospital evaluates the respective agreements on a monthly and annual basis due to the uncertainty of office space needs and may terminate the agreements at any time if deemed necessary. Rental expense for short-term leases during the years ended December 31, 2024 and 2023 was \$188,378 and \$245,041, respectively.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2024 and 2023

10. Economic Conditions

The accompanying consolidated financial statements have been prepared in conformity with U.S. GAAP, which assumes that the Hospital will continue as a going concern.

Prior to the COVID-19 pandemic, the Hospital had incurred significant operating losses and filed for Chapter 11 bankruptcy, from which it exited effective January 13, 2021. The Hospital's ability to continue as a going concern is dependent upon the success of its efforts in generating sufficient revenues. Despite improvements, the Hospital has continued to face financial challenges, including persistent operating losses, declining liquidity, and heightened cost pressures, particularly related to clinical contracted labor.

Management is pursuing several plans to improve the Hospital's cash and operating positions, including revenue cycle improvements, service line rationalization, expense control, and accessing available grant funds. Additionally, in 2024, the Hospital applied for Employee Retention Tax Credit (ERTC) refunds totaling approximately \$1,437,000. While these refunds, if received, would provide a meaningful liquidity benefit, they remain subject to IRS approval, and no updates have been received as of May 28, 2025.

While management's plans are intended to improve liquidity and operating performance, they have not been finalized or fully implemented, and their success is uncertain. Therefore, there is substantial doubt about the Hospital's ability to continue as a going concern during the one-year period from May 28, 2025, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Consolidating Balance Sheet

December 31, 2024
(With Comparative Totals for December 31, 2023)

ASSETS

| | <u>Penobscot Valley Hospital</u> | <u>Alpine Health Services, Inc.</u> | <u>Eliminations</u> | 2024 Consolidated | 2023 Consolidated |
|---|--|---|---------------------------|------------------------------|------------------------------|
| Current assets | | | | | |
| Cash | \$ 751,885 | \$ 69,995 | \$ - | \$ 821,880 | \$ 1,104,646 |
| Patient accounts receivable, net | 3,226,407 | - | - | 3,226,407 | 1,954,152 |
| Supplies, prepaid expenses and miscellaneous receivables | <u>719,407</u> | <u>-</u> | <u>-</u> | <u>719,407</u> | <u>646,389</u> |
| Total current assets | 4,697,699 | 69,995 | - | 4,767,694 | 3,705,187 |
| Assets limited as to use | 424,639 | 22,589 | - | 447,228 | 449,398 |
| Property and equipment, net | 3,436,279 | 125,668 | - | 3,561,947 | 3,667,932 |
| Other assets | - | - | - | - | 25,113 |
| Investment in affiliate | <u>98,847</u> | <u>-</u> | <u>(98,847)</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ 8,657,464</u> | <u>\$ 218,252</u> | <u>\$ (98,847)</u> | <u>\$ 8,776,869</u> | <u>\$ 7,847,630</u> |

LIABILITIES AND NET ASSETS

| | Penobscot Valley Hospital | Alpine Health Services, Inc. | Eliminations | 2024 <u>Consolidated</u> | 2023 <u>Consolidated</u> |
|---|---------------------------------|------------------------------------|--------------------|-----------------------------|-----------------------------|
| Current liabilities | | | | | |
| Current portion of long-term debt | \$ 240,845 | \$ 8,465 | \$ - | \$ 249,310 | \$ 231,317 |
| Accounts payable and accrued expenses | 1,254,590 | 274 | - | 1,254,864 | 1,000,834 |
| Accrued salaries and related benefits | 994,104 | - | - | 994,104 | 949,267 |
| Estimated third-party payor settlements | <u>1,388,046</u> | <u>-</u> | <u>-</u> | <u>1,388,046</u> | <u>163,601</u> |
| Total current liabilities | 3,877,585 | 8,739 | - | 3,886,324 | 2,345,019 |
| Long-term debt, net of current portion | 3,677,180 | 110,666 | - | 3,787,846 | 4,030,482 |
| Deferred compensation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,113</u> |
| Total liabilities | <u>7,554,765</u> | <u>119,405</u> | <u>-</u> | <u>7,674,170</u> | <u>6,400,614</u> |
| Net assets | | | | | |
| Without donor restrictions | 671,247 | 98,847 | (98,847) | 671,247 | 1,211,661 |
| With donor restrictions | <u>431,452</u> | <u>-</u> | <u>-</u> | <u>431,452</u> | <u>235,355</u> |
| Total net assets | <u>1,102,699</u> | <u>98,847</u> | <u>(98,847)</u> | <u>1,102,699</u> | <u>1,447,016</u> |
| Total liabilities and net assets | \$ 8,657,464 | \$ 218,252 | \$ (98,847) | \$ 8,776,869 | \$ 7,847,630 |

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Consolidating Statement of Operations

Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)

| | Penobscot Valley Hospital | Alpine Health Services, Inc. | Eliminations | 2024 Consolidated | 2023 Consolidated |
|---|---------------------------------|------------------------------------|------------------|----------------------------|-----------------------|
| Revenues, gains, and other support | | | | | |
| Net patient service revenue | \$ 24,374,283 | \$ - | \$ - | \$ 24,374,283 | \$ 22,858,887 |
| Grant revenue | 440,187 | - | - | 440,187 | 142,606 |
| Other revenue | <u>199,828</u> | <u>41,215</u> | - | <u>241,043</u> | <u>634,207</u> |
| Total revenues, gains, and other support | <u>25,014,298</u> | <u>41,215</u> | - | <u>25,055,513</u> | <u>23,635,700</u> |
| Expenses | | | | | |
| Salaries and benefits | 14,568,572 | - | - | 14,568,572 | 14,096,857 |
| Supplies and other | 10,450,317 | 369 | - | 10,450,686 | 10,732,978 |
| Depreciation and amortization | 524,333 | 9,720 | - | 534,053 | 505,240 |
| Interest expense | <u>89,123</u> | <u>3,037</u> | - | <u>92,160</u> | <u>110,813</u> |
| Total expenses | <u>25,632,345</u> | <u>13,126</u> | - | <u>25,645,471</u> | <u>25,445,888</u> |
| Operating (loss) income | <u>(618,047)</u> | <u>28,089</u> | - | <u>(589,958)</u> | <u>(1,810,188)</u> |
| Gain on bankruptcy reorganization | - | - | - | - | 7,539 |
| Other (losses) gains | | | | | |
| Investment income | 7,078 | - | - | 7,078 | 12,238 |
| Equity in loss of subsidiary | <u>(48,887)</u> | - | 48,887 | - | - |
| Other (losses) gains, net | <u>(41,809)</u> | - | 48,887 | 7,078 | 12,238 |
| (Deficiency) excess of revenues, gains and other support and other gains over expenses and losses | (659,856) | 28,089 | 48,887 | (582,880) | (1,790,411) |
| Net assets released from restrictions used for purchase of property and equipment | 42,466 | - | - | 42,466 | - |
| Equity transfers from (to) subsidiary | <u>76,976</u> | <u>(76,976)</u> | - | - | - |
| Change in net deficit without donor restrictions | <u>\$ (540,414)</u> | <u>\$ (48,887)</u> | <u>\$ 48,887</u> | <u>\$ (540,414)</u> | <u>\$ (1,790,411)</u> |

GOVERNMENT REPORTS



BDMP Assurance, LLP

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Penobscot Valley Hospital and Subsidiary

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Penobscot Valley Hospital and Subsidiary, which comprise the consolidated balance sheet as of December 31, 2024, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Penobscot Valley Hospital and Subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Penobscot Valley Hospital and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Penobscot Valley Hospital and Subsidiary's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Penobscot Valley Hospital and Subsidiary's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Penobscot Valley Hospital and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Penobscot Valley Hospital and Subsidiary's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Penobscot Valley Hospital and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

-BDMP Assurance, LLP

Portland, Maine
May 28, 2025



BDMP Assurance, LLP

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Penobscot Valley Hospital and Subsidiary

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Penobscot Valley Hospital and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on Penobscot Valley Hospital and Subsidiary's major federal program for the year ended December 31, 2024. Penobscot Valley Hospital and Subsidiary's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Penobscot Valley Hospital and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Penobscot Valley Hospital and Subsidiary and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Penobscot Valley Hospital and Subsidiary's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Penobscot Valley Hospital and Subsidiary's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Penobscot Valley Hospital and Subsidiary's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Penobscot Valley Hospital and Subsidiary's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Penobscot Valley Hospital and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Penobscot Valley Hospital and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Penobscot Valley Hospital and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of Penobscot Valley Hospital and Subsidiary as of and for the year ended December 31, 2024, and have issued our report thereon dated May 28, 2025, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

BDMP Assurance, LLP

Portland, Maine
May 28, 2025

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

| <u>Federal Grantor/Pass-Through Grantor Program Title</u> | <u>Federal AL Number</u> | <u>Pass-Through Grantor/Agreement Number</u> | <u>Federal Expenditures</u> |
|---|--------------------------|--|-----------------------------|
| U.S. Department of Agriculture: | | | |
| Community Facilities Loans and Grants Cluster | | | |
| Community Facilities Loans and Grants (a) | 10.766 | N/A | \$ <u>3,632,549</u> |
| Total Community Facilities Loans and Grants Cluster | | | <u>3,632,549</u> |
| Total U.S. Department of Agriculture | | | <u>3,632,549</u> |
| U.S. Department of Health and Human Services: | | | |
| Passed through State of Maine Department of Health and Human Services: | | | |
| Injury Prevention and Control Research and State and Community Based Programs | 93.136 | CD6-21-5102 A | <u>24,056</u> |
| Total U.S. Department of Health and Human Services | | | <u>24,056</u> |
| U.S. Department of Treasury: | | | |
| Passed through Coronavirus State and Local Fiscal Recovery Funds | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N/A | <u>416,131</u> |
| Total U.S. Department of Treasury | | | <u>416,131</u> |
| Total Expenditures of Federal Awards | | | \$ <u>4,072,736</u> |

(a) Outstanding loans, balances include beginning of year outstanding balances and current year disbursements.

See accompanying notes to schedule of expenditures of federal awards.

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Penobscot Valley Hospital and Subsidiary under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Penobscot Valley Hospital and Subsidiary, it is not intended to and does not present the financial position, changes in net assets or cash flows of Penobscot Valley Hospital and Subsidiary.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Penobscot Valley Hospital and Subsidiary has elected to use the 10% de minimis indirect cost rate.

3. Loan Programs

Penobscot Valley Hospital and Subsidiary have promissory notes outstanding through the U.S. Department of Agriculture (USDA). As required, the Schedule reflects the outstanding balances as of January 1, 2024. The balances outstanding at December 31, 2024 were \$3,528,455.

PENOBSCOT VALLEY HOSPITAL AND SUBSIDIARY

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Material weakness(es) identified? Yes No
Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported
Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified: Yes No
Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? Yes No

Identification of each major federal program:

AL Number

Name of Federal Program or Cluster

10.766

Community Facilities Loans and Grants Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

PENOBCOT VALLEY HOSPITAL AND SUBSIDIARY

Schedule of Findings and Questioned Costs (Concluded)

Year Ended December 31, 2024

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.