

Return of Organization Exempt From Income Tax

2008

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization ATLANTIC GENERAL HOSPITAL Doing Business As _____ Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>9733 HEALTHWAY DRIVE</u> City or town, state or country, and ZIP + 4 <u>BERLIN, MD 21811</u>		D Employer identification number 52-1656507
		F Name and address of principal officer: _____		E Telephone number (410) 641-1100
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (<u>3</u>) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		G Gross receipts \$ <u>82,518,322.</u>		
J Website: ▶ WWW.ATLANTICGENERAL.ORG		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)		
K Type of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input checked="" type="checkbox"/> Other ▶		L Year of formation: _____ M State of legal domicile: _____		

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>TO PROVIDE QUALITY CARE, PERSONALIZED SERVICE AND EDUCATION TO IMPROVE INDIVIDUAL AND COMMUNITY HEALTH.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	19
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	18
	5	Total number of employees (Part V, line 2a)	5	826
	6	Total number of volunteers (estimate if necessary)	6	
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	225,479.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-390,246.	
Revenue	8	Contribution and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	1,180,813.	2,698,385.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	75,929,810.	78,999,114.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	480,131.	205,123.
	12	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	400,635.	501,267.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	77,991,389.	82,403,889.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		60,151.
	14	Benefits paid to or for members (Part IX, column (A), line 4)		NONE
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	33,403,847.	40,105,807.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		NONE
	b	Total fundraising expenses, Part IX, column (D), line 25) ▶ <u>208,700.</u>		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	38,503,807.	38,823,317.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	71,907,654.	78,989,275.
Net Assets or Fund Balances	19	Revenue less expenses. Subtract line 18 from line 12	6,083,735.	3,414,614.
	20	Total assets (Part X, line 16)	Beginning of Year	End of Year
	21	Total liabilities (Part X, line 26)	56,674,702.	61,500,786.
	22	Net assets or fund balances. Subtract line 21 from line 20.	26,719,683.	29,008,550.
			29,955,019.	32,492,236.

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	_____ Date
	▶ _____ Type or print name and title	

Paid Preparer's Use Only	Preparer's signature ▶ _____	Date 05/06/2010	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) P00482524
	Firm's name (or yours if self-employed), address, and ZIP + 4 COHEN, RUTHERFORD + KNIGHT, PC 6903 ROCKLEDGE DRIVE, SUITE 500 BETHESDA, MD 20817-1800	EIN ▶ 52-1202280	Phone no. ▶ 301-828-1002	

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2008)

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

TO PROVIDE QUALITY CARE, PERSONALIZED SERVICE AND EDUCATION TO IMPROVE INDIVIDUAL AND COMMUNITY HEALTH.

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

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

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

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

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

4a (Code:) (Expenses \$ 60,318,430. including grants of \$ 60,151.) (Revenue \$ 78,999,114.)

ATLANTIC GENERAL HOSPITAL IS A NON PROFIT HEALTHCARE PROVIDER FOCUSING ON INPATIENT AND OUTPATIENT SERVICES FOR OUR LOCAL COMMUNITY. WE ALSO OPERATE MULTIPLE PHYSICIAN OFFICES THROUGH OUTH THE REGION THAT PROVIDES FAMILY, INTERNAL AND SPECIALTY MEDICINE TO OUR LOCAL RESIDENTS. WE HAD THE FOLLOWING KEY STATISTICS DURING FY 2009: ADMMISSIONS: 3,781, PATIENT DAYS: 13,998, ED VISITS: 33,429 SURGERIES: 6,539, OTHER OUTPATIENT VISISTS: 63,616, TOTAL VISITS TO OUR PHYSICIAN PRACITICES WERE 63,311.

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

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

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

4e Total program service expenses ▶ \$ 60,318,430. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		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? <i>If "Yes," complete Schedule R, Part VI</i>		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 1a through 12b regarding IRS filings and tax compliance.

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include questions about voting members, family relationships, management delegation, organizational changes, asset diversions, members, and documentation.

Section B. Policies

Table with 3 columns: Question, Yes, No. Rows include questions about conflict of interest policy, whistleblower policy, document retention, compensation review, and joint venture arrangements.

Section C. Disclosure

Table with 3 columns: Question, Yes, No. Rows include questions about state filing requirements, public inspection of forms, and disclosure of governing documents.

Part VIII Statement of Revenue

52-1656507

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a						
	b Membership dues	1b						
	c Fundraising events	1c	220,473.					
	d Related organizations	1d						
	e Government grants (contributions) . .	1e	545,445.					
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	1,932,467.					
	g Noncash contributions included in lines 1a-1f: \$		360,000.					
	h Total. Add lines 1a-1f ▶			2,698,385.				
	Program Service Revenue	Business Code						
		2a NET PATIENT REVENUE			78,728,168.	78,728,168.		
b OTHER OPERATING		621110		270,946.	45,467.	225,479.		
c								
d								
e								
f All other program service revenue								
g Total. Add lines 2a-2f ▶				78,999,114.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) STMT 2 . . ▶			306,626.			306,626.	
	4 Income from investment of tax-exempt bond proceeds . . . ▶			NONE				
	5 Royalties ▶			NONE				
	6a Gross Rents	(i) Real	(ii) Personal					
				107,438.				
		b Less: rental expenses		800.				
		c Rental income or (loss)		106,638.				
	d Net rental income or (loss) ▶			107,438.			107,438.	
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		b Less: cost or other basis and sales expenses						
		c Gain or (loss)		-21,775.				
	d Net gain or (loss) ▶			-101,503.			-101,503.	
	8a Gross income from fundraising events (not including \$ 220,473. of contributions reported on line 1c). See Part IV, line 18.		STMT 6					
		a		25,325.				
		b Less: direct expenses		49,962.				
		c Net income or (loss) from fundraising events . STMT 7 . . ▶			-24,637.			-24,637.
	9a Gross income from gaming activities. See Part IV, line 19.	a						
		b Less: direct expenses						
		c Net income or (loss) from gaming activities ▶			NONE			
10a Gross sales of inventory, less returns and allowances	a		167,547.					
	b Less: cost of goods sold		63,671.					
	c Net income or (loss) from sales of inventory. . STMT 8 . . ▶			103,876.				
Miscellaneous Revenue			Business Code					
11a CAFETERIA				170,348.			170,348.	
	b OTHER			144,242.			144,242.	
	c							
	d All other revenue							
e Total. Add lines 11a-11d ▶			314,590.					
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶			82,403,889.	78,773,635.	225,479.	602,514.		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<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 governments and organizations in the U.S. See Part IV, line 21 . . .	56,186.	56,186.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	3,965.	3,965.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	746,592.		746,592.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages	32,527,101.	27,336,035.	5,068,775.	122,291.
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	363,515.	283,542.	79,973.	
9 Other employee benefits	4,208,619.	3,373,702.	834,917.	
10 Payroll taxes	2,259,980.	1,884,687.	366,362.	8,931.
11 Fees for services (non-employees):				
a Management	NONE			
b Legal	70,075.	428.	69,647.	
c Accounting	187,077.		187,077.	
d Lobbying	NONE			
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	3,739,198.	3,428,976.	310,222.	
12 Advertising and promotion	893,319.	90,743.	800,570.	2,006.
13 Office expenses	14,313,329.	13,380,917.	874,098.	58,314.
14 Information technology	1,016,185.		1,016,185.	
15 Royalties	NONE			
16 Occupancy	1,806,089.	1,420,847.	385,242.	
17 Travel	248,672.	91,813.	151,271.	5,588.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	47,043.	11,326.	35,717.	
20 Interest	NONE			
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	3,067,004.	154,670.	2,912,334.	
23 Insurance	2,608,015.	533,065.	2,074,950.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a OUTSIDE LAB SERVICES -----	735,593.	735,593.		
b REPAIRS & MAINTENANCE -----	2,031,927.	1,184,816.	843,036.	4,075.
c LAUNDRY AND LINENS -----	423,395.	386,470.	36,925.	
d TRANSCRIPTIONS -----	25,196.	25,196.		
e PURCHASED SERVICES & PRODUCT	1,701,149.	747,776.	948,640.	4,733.
f All other expenses -----	5,910,051.	5,187,677.	719,612.	2,762.
25 Total functional expenses. Add lines 1 through 24f	78,989,275.	60,318,430.	18,462,145.	208,700.
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	10,669,256.	2	13,738,934.
	3 Pledges and grants receivable, net	651,484.	3	366,817.
	4 Accounts receivable, net	7,856,989.	4	6,877,354.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sales or use	1,240,655.	8	1,219,308.
	9 Prepaid expenses and deferred charges SFMT. 9	1,817,559.	9	1,904,321.
	10a Land, buildings, and equipment: cost basis 10a 55,739,112.			
	b Less: accumulated depreciation. Complete Part VI of Schedule D. 10b 21,681,620.	30,893,185.	10c	34,057,492.
	11 Investments - publicly traded securities SFMT. 10	2,784,099.	11	2,696,444.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	761,475.	15	640,116.
16 Total assets. Add lines 1 through 15 (must equal line 34)	56,674,702.	16	61,500,786.	
Liabilities	17 Accounts payable and accrued expenses	6,720,452.	17	9,453,758.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	11,299,433.	20	10,817,041.
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties SFMT. 11	6,944,192.	23	6,390,546.
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	1,755,606.	25	2,347,205.
	26 Total liabilities. Add lines 17 through 25.	26,719,683.	26	29,008,550.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	29,733,408.	27	31,850,569.
	28 Temporarily restricted net assets	221,611.	28	641,667.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	29,955,019.	33	32,492,236.	
34 Total liabilities and net assets/fund balances	56,674,702.	34	61,500,786.	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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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: (Please check only **one** organization.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**. (Attach Schedule H.)
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 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.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**. (see instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally Integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box. _____
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? _____
 - (ii) A family member of a person described in (i) above? _____
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above? _____

	Yes	No
11g(i)		X
11g(ii)		X
11g(iii)		X

h Provide the following information about the organizations the organization supports.

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

Part II Support Schedule for Organizations Described in 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.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1-3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 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; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10.

12 Gross receipts from related activities, etc. (See instructions.)
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here.
16b 33 1/3% support test - 2007. 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.
17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and stop here.
17b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here.
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 13 Total support. (Add lines 9, 10c, 11, and 12.); 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Line Number, Percentage. Rows include: 15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)); 16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Line Number, Percentage. Rows include: 17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)); 18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h.

- 19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.
b 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions.

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

Area with horizontal dashed lines for providing supplemental information.

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, and 990-PF.

OMB No. 1545-0047

2008

Name of the organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

General Rule

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

Special Rules

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33¹/₃ % support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

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

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

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Name of organization ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	L FRANKLIN AND GERTRUDE PURNELL FOUND 11530 QUILLIN WAY BERLIN, MD 21811	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	MHA 6820 DEERPATH RD ELKRIDGE, TX 21075	\$ 618,998.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	GUERRIERI FAMILY FOUNDATION PO BOX 680 OCEAN CITY, MD 21843	\$ 250,625.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	WILMINGTON TRUST COMPANY 22205 DUPONT HIGHWAY GEORGETOWN, DE 19947	\$ 5,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	BULL ON THE BEACH 12507 SUNSET AVE OCEAN CITY, MD 21842	\$ 14,201.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	BAJA MANAGEMENT CORP 12639 OCEAN GATEWAY OCEAN CITY, MD 21842	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	COMCAST SPOTLIGHT 38993 BEACON DR UNIT 6 FENWICK ISLAND, DE 19944	\$ 6,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	KELLY FOODS CORPORATION 3457 MEDINA RD MEDINA, OH 44256	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	SYSCO EASTERN MARYLAND PO BOX 477 POCOMOKE CITY, MD 21851	\$ 5,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	EMERGENCY SERVICE ASSOC 9733 HEALTHWAY DR BERLIN, MD 21811	\$ 6,150.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	COMMUNITY FOUNDATION OF EASTERN SHORE 1324 BELMONT AVE SALISBURY, MD 21804	\$ 75,874.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	ACE PRINTING AND MAILING 10026 OLD OCEAN CITY BLVD BERLIN, MD 21811	\$ 7,797.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	DOUGH ROLLER RESTAURANT PO BOX 419 OCEAN CITY, MD 21843	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14	CALVIN TAYLOR BANK 24 N MAIN BERLIN, MD 21811	\$ 12,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15	STATE MARYLAND DEPT HEALTH MENTAL HYGIEN 201 W PRESTON ST BALTIMORE, MD 21201	\$ 108,945.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16	AGH ASSOCIATES CAMPAIGN COMMITTEE 9733 HEALTHWAY DR BERLIN, MD 21811	\$ 5,542.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17	TOWN OF BERLIN 10 WILLIAM ST BERLIN, MD 21811	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
18	THE ARTHUR W PERDUE FOUNDATION INC 501 SILVERSIDE RD WILMINGTON, DE 19809	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19	HUMPHREYS FOUNDATION 6 BAKER ST BERLIN, MD 21811	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
20	ESTATE OF VIRGINIA MURRAY PO BOX 585 SALISBURY, MD 21803	\$ 200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
21	OCEAN CITY LIONS CLUB PO BOX 71 OCEAN CITY, MD 21843	\$ 22,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
22	AGH JAG 35 ISLAND EDGE DR OCEAN CITY, MD 21842	\$ 20,150.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
23	CAROUSEL RESORT HOTEL AND CONDOS 11700 COASTAL HIGHWAY OCEAN CITY, MD 21842	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
24	WORCHESTER COUNTY MD COUNTY COMMISSIONER 1 WEST MARKET ST SNOW HILL, MD 21863	\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
25	TOWN OF OCEAN CITY 301 BALTIMORE AVE OCEAN CITY, MD 21842	\$ 125,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
26	WORCESTER COUNTY HEALTH DEPT PO BOX 249 SNOW HILL, MD 21863	\$ 11,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
27	WAVELENGTH INFORMATION SERVICES INC PO BOX 739 BERLIN, MD 21811	\$ 35,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
28	ESHAM FAMILY LIMITED PARTNERSHIP PO BOX 77 BERLIN, MD 21811	\$ 11,150.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
29	COLEMAN BUNTING JR 11030 PINEY ISLAND DR BISHOPVILLE, MD 21813	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
30	HUGH CROPPER IV PO BOX 61 OCEAN CITY, MD 21843	\$ 5,250.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
31	W THOMAS HERSHEY 27 EAST MALLARD DR BERLIN, MD 21811	\$ 11,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
32	CHARLES JENKINS SR 10948 NEWPORT FARMS DR BERLIN, MD 21811	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
33	OBERLIN AND MARQUETTE MASON 1135 OCEAN PARKWAY OCEAN PINES, MD 21811	\$ 360,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
34	HERB AND JUDY SCHOELLKOPF 10626 POINT LOOKOUT RD OCEAN CITY, MD 21842	\$ 15,250.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
35	EUNICE Q SORIN 209 N MAIN ST BERLIN, MD 21811	\$ 17,818.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
36	JOHN TILGHMAN 9002 E BISCAYNE DR OCEAN CITY, MD 21842	\$ 7,200.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
37	DOUGLAS TRIMPER 13016 ANCHOR CT OCEAN CITY, MD 21842	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
38	CASH UNDER 5000 9733 HEALTHWAY DR BERLIN, MD 21811	\$ 336,905.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
33	RESIDENTIAL PROPERTY	\$ 360,000.	

**SCHEDULE D
(Form 990)**

Supplemental Financial Statements

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Employer identification number

ATLANTIC GENERAL HOSPITAL

52-1656507

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

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

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically importantly land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ \$ _____

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

- 3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV.

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

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

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment ▶ _____ %
 - b Permanent endowment ▶ _____ %
 - c Term endowment ▶ _____ %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings		55,394,252.	21,681,620.	33,712,632.
c Leasehold improvements				
d Equipment				
e Other		344,860.		344,860.
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				34,057,492.

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	82,403,889.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	78,989,275.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	3,414,614.
4	Net unrealized gains (losses) on investments	4	-154,040.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-723,357.
9	Total adjustments (net). Add lines 4-8	9	-877,397.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	2,537,217.

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

1	Total revenue, gains, and other support per audited financial statements	1	82,251,625.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-55,278.
e	Add lines 2a through 2d	2e	-55,278.
3	Subtract line 2e from line 1	3	82,306,903.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	96,986.
c	Add lines 4a and 4b	4c	96,986.
5	Total revenue. Add lines 3 and 4c . (This should equal Form 990, Part I, line 12.)	5	82,403,889.

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

1	Total expenses and losses per audited financial statements	1	78,925,917.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	49,962.
e	Add lines 2a through 2d	2e	49,962.
3	Subtract line 2e from line 1	3	78,875,955.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	113,320.
c	Add lines 4a and 4b	4c	113,320.
5	Total expenses. Add lines 3 and 4c . (This should equal Form 990, Part I, line 18.)	5	78,989,275.

Part XIV Supplemental Information

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

SEE PAGE 5

Part XIV Supplemental Information (continued)

RECONCILIATION OF REVENUE	

SPECIAL EVENTS	\$ 49,962
EXPENSES IN OTHER INCOME	(105,240)

	\$ (55,278)

PLEDGES RECEIVED	\$ 96,986

RECONCILIATION OF EXPENSES	

SPECIAL EVENTS	\$ 49,962

K-1 MARYLAND ECARE	\$5,986
SCHOLARSHIPS IN OTHER INCOME	2,092
MISC EXP IN OTHER INCOME	105,240
ROUNDING	2

	\$113,320

RECONCILIATION OF NET ASSETS	

CHANGE IN FAIR VALUE OF SWAP	\$ (543,597)
NET ASSETS RELEASED	(105,854)
PLEDGES RECEIVED	(96,986)
PLEDGES	15,000
K-1 MARYLAND ECARE	5,986

Part XIV Supplemental Information (continued)

SCHOLARSHIPS	2,092
ROUNDING	2

	\$ (723,357)

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events (Add col. (a) through col. (c))
		ANNIV CELEBRATE (event type)	GOLF TOURNAMENT (event type)	<u>1</u> (total number)	
Revenue	1 Gross receipts	73,689.	115,435.	56,674.	245,798.
	2 Less: Charitable contributions	67,464.	96,335.	56,674.	220,473.
	3 Gross revenue (line 1 minus line 2)	6,225.	19,100.		25,325.
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes			9,527.	9,527.
	6 Rent/facility costs				
	7 Other direct expenses	12,483.	23,843.	4,109.	40,435.
	8 Direct expense summary. Add lines 4 through 7 in column (d)				(49,962.)
	9 Net income summary. Combine lines 3 and 8 in column (d)				-24,637.

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

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

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

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

SCHEDULE H

(Form 990)

Hospitals

OMB No. 1545-0047

2008

Open to Public Inspection

▶ To be completed by organizations that answer "Yes" to Form 990,

Part IV, line 20.

▶ Attach to Form 990.

Department of the Treasury
Internal Revenue Service

Name of the organization

Employer identification number

ATLANTIC GENERAL HOSPITAL

52-1656507

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

	Yes	No
1 a Does the organization have a charity care policy? If "No," skip to question 6a		
b If "Yes," is it a written policy?		
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. <input type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4 Does the organization's policy provide free or discounted care to the "medically indigent"?		
5 a Does the organization budget amounts for free or discounted care provided under its charity care policy?		
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?		
c If "Yes" to 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?		
6 a Does the organization prepare an annual community benefit report?		
b If "Yes," does the organization make it available to the public?		

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

7 Charity Care and Certain Other Community Benefits at Cost

	(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
Charity Care and Means-Tested Government Programs						
a Charity care at cost (from Worksheets 1 and 2)						
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits						
k Total (line 7d and 7j)						

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

Schedule H (Form 990) 2008

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

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

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

Section A. Bad Debt Expense

- 1 Does 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 (at cost)
- 3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy
- 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit.

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

Section B. Medicare

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

Section C. Collection Practices

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

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

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

SCHEDULE I (Form 990)

Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S.

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. Attach to Form 990.

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Rows include SCHOLARSHIPS TO DELAWARE TECH & COMM, SCHOLARSHIPS TO SALISBURY UNIVERSITY, and SCHOLARSHIPS TO WOR-WIC COMM.

- 2 Enter total number of section 501(c)(3) and government organizations
3 Enter total number of other organizations

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

Schedule I (Form 990) 2008

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHOLARSHIPS

ATLANTIC GENERAL WILL PAY FOR SCHOOLING UNTIL THEY GRADUATE

ATLANTIC GENERAL WILL PAY FOR TUITION AND BOOKS (TEXT ONLY) AND THE SCHOOL

BILLS US AFTER THE DROP/ADD PERIOD IS COMPLETE

ATLANTIC GENERAL REQUESTS THE GPA OF EACH STUDENT AT THE END OF EACH

SEMESTER TO ENSURE THEY ARE PASSING

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

FOR EVERY YEARS OF SCHOOL THEY ARE REQUIRED TO GIVE US ONE YEAR OF SERVICE

THEY HAVE TO WORK AT LEASE 12 HOURS PER WEEK FOR US AND FOR THAT WE PAY THEM \$10/HR AND PROVIDE BASIC HEALTH INSURANCE FOR FREE.

IF THEY WILL WORK 24 HOURS PER WEEK WE ADD DENTAL COVERAGE AS WELL.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

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 in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

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

b If line 1a is 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 officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

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

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

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 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

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

a The organization?

b Any related organization?

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

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

a The organization?

b Any related organization?

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

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

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

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

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

Schedule J (Form 990) 2008

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
MICHAEL FRANKLIN	(i)	290,394.	45,804.	NONE	31,000.	14,387.	381,585.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE
STEPHEN WATERS	(i)	173,621.	9,266.	NONE	7,600.	13,774.	204,261.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE
CHERYL NOTTINGHAM	(i)	161,291.	15,721.	NONE	15,500.	13,774.	206,286.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE
CHARLES KIM	(i)	375,791.	NONE	NONE	5,690.	13,774.	395,255.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE
JEROME AUL	(i)	375,575.	NONE	NONE	31,000.	14,387.	420,962.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE
SCOTT KNOWLTON	(i)	357,038.	NONE	NONE	5,690.	6,315.	369,043.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE
ANTHONY PERELLA	(i)	289,338.	NONE	NONE	15,500.	6,315.	311,153.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE
ATIF ZEESHAN	(i)	234,550.	NONE	NONE	3,985.	11,236.	249,771.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						

**SCHEDULE J-2
(Form 990)**

Continuation Sheet for Form 990

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

Name of the Organization

Employer Identification number

ATLANTIC GENERAL HOSPITAL

52-1656507

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL FRANKLIN PRESIDENT & CEO	40.	X		X			336,198.	NONE	45,387.	
KATHLEEN CLARK DIRECTOR	1.	X					NONE	NONE	NONE	
J RUSSELL BARRETT DIRECTOR	1.	X					NONE	NONE	NONE	
ROBERT DAVIS DIRECTOR	1.	X					NONE	NONE	NONE	
EDWIN CASTANEDA EX OFFICIO	1.	X					NONE	NONE	NONE	
DEBBIE GOELLER EX OFFICIO	1.	X					NONE	NONE	NONE	
ROBERT DURKIN DIRECTOR	1.	X					NONE	NONE	NONE	
MICHAEL JAMES DIRECTOR	1.	X					NONE	NONE	NONE	
BILL HUDSON DIRECTOR	1.	X					NONE	NONE	NONE	
CAM BUNTING CHAIR	1.	X		X			NONE	NONE	NONE	
IRA SHOCKLEY DIRECTOR	1.	X					NONE	NONE	NONE	
JOHN TOWNSEND SECRETARY AND VICE CHAIR	1.	X		X			NONE	NONE	NONE	
CINDY WOOD DIRECTOR	1.	X					NONE	NONE	NONE	
WINN BOOTH CHAIR VICE CHAIR	1.	X		X			NONE	NONE	NONE	
JAMES BERGEY TREASURER	1.	X		X			NONE	NONE	NONE	
ERIC BONTEMPO EX OFFICIO	1.	X					NONE	NONE	NONE	
LOUIS TAYLOR SECRETARY	1.	X		X			NONE	NONE	NONE	
JOHN BURBAGE JR DIRECTOR	1.	X					NONE	NONE	NONE	
HUGH CROPPER DIRECTOR	1.	X					NONE	NONE	NONE	
ELIZABETH GREGORY DIRECTOR	1.	X					NONE	NONE	NONE	
W TODD HERSHEY DIRECTOR	1.	X					NONE	NONE	NONE	

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

Schedule J-2 (Form 990) 2008

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

Non-Cash Contributions

▶ To be completed by organizations that answered
"Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No. 1545-0047

2008

**Open To Public
Inspection**

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art-Works of art				
2 Art-Historical treasures				
3 Art-Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities-Publicly traded				
10 Securities-Closely held stock				
11 Securities-Partnership, LLC, or trust interests				
12 Securities-Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate-Residential	X	1	360,000.	REALTOR MARKET ANALY
16 Real estate-Commercial				
17 Real estate-Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (_____)				
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30 a During the year, did the organization receive by contribution any property reported in Part I, line 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?		X
32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		

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

Schedule M (Form 990) 2008

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Area with horizontal dashed lines for supplemental information.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

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**Open to Public
Inspection**

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PROCESS OF REVIEWING RETURN

PART VI LINE 10

Name of the organization

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MONITORING AND ENFORCING CONFLICTS OF INTEREST

PART VI, LINE 12

IT IS THE POLICY OF ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM THAT MEMBERS OF THE BOARD OF DIRECTORS, THE HOSPITAL PRESIDENT, AND THE SENIOR LEADERSHIP STAFF WILL BE REQUIRED TO SIGN AN ANNUAL CONFLICT OF INTEREST STATEMENT AND TO ADHERE TO THE CONFLICT OF INTEREST POLICY. THIS WILL BE SIGNED ANNUALLY IN OCTOBER. ALL CANDIDATES FOR BOARD MEMBERSHIP MUST BE ADVISED OF THIS POLICY PRIOR TO THEIR ELECTION TO THE BOARD.

PURPOSE:

THE PURPOSE OF THE CONFLICTS OF INTEREST POLICY IS TO PROTECT ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM'S BOARD MEMBERS AND SENIOR LEADERSHIP STAFF WHEN AGH IS CONTEMPLATING ENTERING INTO A TRANSACTION OR ARRANGEMENT THAT MIGHT BENEFIT THE PRIVATE INTEREST OF AN OFFICER OR DIRECTOR OF ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM. THIS POLICY IS INTENDED TO SUPPLEMENT BUT NOT REPLACE ANY APPLICABLE STATE LAWS GOVERNING CONFLICTS OF INTEREST APPLICABLE TO NONPROFIT AND CHARITABLE CORPORATIONS.

DEFINITIONS:

1. INTERESTED PERSON

ANY DIRECTOR, PRINCIPAL OFFICER, OR MEMBER OF A COMMITTEE WITH BOARD DELEGATED POWERS WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST IN A PROPOSED OR EXISTING FINANCIAL OR CONTRACT ARRANGEMENT IS AN INTERESTED PERSON. IF A PERSON IS AN INTERESTED PERSON WITH RESPECT TO ANY ENTITY

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IN THE HEALTH CARE SYSTEM OF WHICH ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM IS A PART, HE OR SHE IS AN INTERESTED PERSON WITH RESPECT TO ALL ENTITIES IN THE HEALTH CARE SYSTEM.

2. FINANCIAL INTEREST

A PERSON HAS A FINANCIAL INTEREST IF THE PERSON HAS, DIRECTLY OR INDIRECTLY, THROUGH BUSINESS INVESTMENT OR FAMILY:

A. AN OWNERSHIP OR INVESTMENT INTEREST IN ANY ENTITY WITH WHICH ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM HAS A TRANSACTION OR ARRANGEMENT, OR

B. A COMPENSATION ARRANGEMENT WITH ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM WITH ANY ENTITY OR INDIVIDUAL WITH WHICH ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM HAS A TRANSACTION OR ARRANGEMENT, OR

C. A POTENTIAL OWNERSHIP OR INVESTMENT INTEREST IN, OR COMPENSATION ARRANGEMENT WITH, ANY ENTITY OR INDIVIDUAL WITH WHICH ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM IS NEGOTIATING A TRANSACTION OR ARRANGEMENT.

3. OWNERS OF COMPETING MEDICAL FACILITIES

ANY PERSON WHO, DIRECTLY OR INDIRECTLY, OWNS, OPERATES, MANAGES AND/OR SERVES AS A BOARD MEMBER OR TRUSTEE OF, A COMPETING MEDICAL FACILITY, INCLUDING BUT NOT LIMITED TO HOSPITALS, AMBULATORY SURGERY CENTERS AND MEDICAL CLINICS, IS PRESUMPTIVELY INELIGIBLE TO PARTICIPATE AS A MEMBER OF THE BOARD OF DIRECTORS. IF A PERSON BECOMES AN OWNER, DIRECTOR, OFFICER, MANAGER OR MEMBER OF A COMPETING MEDICAL FACILITY WHILE SERVING

Name of the organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
---	--

AS A BOARD MEMBER, THAT PERSON MUST MAKE THAT STATUS KNOWN WITHIN 10 DAYS OF THAT APPOINTMENT. SUCH PERSON BECOMES INELIGIBLE TO PARTICIPATE IN ANY DECISIONS MADE BY THE BOARD OF DIRECTORS, UNLESS FULL DISCLOSURE OF CONFLICT IS MADE TO THE BOARD OF DIRECTORS AND SUCH CONFLICT IS WAIVED. EACH BOARD MEMBER HAS AN AFFIRMATIVE DUTY TO ENSURE THAT HE/SHE WILL NOT RECEIVE CONFIDENTIAL COMMUNICATIONS DIRECTED TO BOARD MEMBERS, WHEN HE/SHE HAS BECOME AFFILIATED WITH A COMPETING ORGANIZATION.

4. CONFLICT OF INTEREST - CONFIDENTIAL INFORMATION

A CONFLICT OF INTEREST IS NOT LIMITED TO FINANCIAL INTERESTS IN TRANSACTIONS, BUT CAN ALSO ARISE FROM INFORMATIONAL CONFLICTS. MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR LEADERSHIP WILL ACQUIRE INFORMATION ABOUT AGH/HS STRATEGIES, PLANS, PATIENT HEALTH INFORMATION AND ADVICE FROM THE HOSPITAL'S ACCOUNTING, LEGAL AND FINANCIAL PROFESSIONALS. THERE ARE MANY WAYS IN WHICH THIS INFORMATION COULD BE USED, NOT NECESSARILY TO THE ADVANTAGE OF THE BOARD MEMBER, BUT TO THE DISADVANTAGE OF THE HOSPITAL OR BOARD. FOR EXAMPLE: IS CONSIDERING THE TERMINATION OF A HIGH-LEVEL OFFICER OR EMPLOYEE AND THE MATTER IS DISCUSSED AT THE BOARD. AN OPINION LETTER FROM COUNSEL IS REVIEWED BY THE BOARD PROVIDING THE RISKS AND STRATEGIES INVOLVED IN TERMINATING THE EMPLOYEE. THE BOARD MEMBER MENTIONS, CASUALLY, TO HER SPOUSE THAT THE HOSPITAL IS CONSIDERING TERMINATING (AN UNNAMED) HIGH-LEVEL EMPLOYEE, AND THE SPOUSE QUICKLY AND ACCURATELY IDENTIFIES THE INFORMATION, PASSING THIS INFORMATION ALONG TO THE EMPLOYEE, A FRIEND. THE EMPLOYEE IS ABLE TO BEGIN TO TAKE PRE-EMPTIVE LEGAL ACTION AND REMOVE DOCUMENTS FROM THE HOSPITAL ANTICIPATING TERMINATION; THE HOSPITAL MAY ALSO LOSE THE BENEFIT OF THE ATTORNEY-CLIENT PRIVILEGE RELATING TO COUNSEL'S ADVICE. NO POLICY

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STATEMENT CAN PROVIDE A COMPREHENSIVE DESCRIPTION OF HOW INFORMATIONAL CONFLICTS CAN HARM THE HOSPITAL. BOARD MEMBERS MUST EXERCISE A HIGH LEVEL OF THOUGHTFUL CONSIDERATION IN RECOGNIZING THEIR RELATIONSHIPS AND THE DELICACY OF INFORMATION THAT THEY WILL BE PROVIDED.

5. CONFLICT OF INTEREST

A CONFLICT OF INTEREST IS DEFINED AS ANY TRANSACTION OR RELATIONSHIP THAT PRESENTS A CONFLICT BETWEEN AN INDIVIDUAL'S OBLIGATIONS OR LOYALTIES TO AGH/HS AND/OR THE INDIVIDUAL'S PERSONAL, BUSINESS OR OTHER INTEREST. IT IS IMPORTANT TO RECOGNIZE THAT CONFLICTS OF INTEREST COVER TOPICS THAT ARE BROADER THAN FINANCIAL TRANSACTIONS, TO INCLUDE PERSONAL RELATIONSHIPS AND COMMUNICATIONS.

6. COMPENSATION

COMPENSATION INCLUDES DIRECT AND INDIRECT REMUNERATION AS WELL AS GIFTS OR FAVORS THAT ARE SUBSTANTIAL IN NATURE. A BOARD AND/OR COMMITTEE MEMBER MUST BE CAUTIOUS IN DISCLOSING RELATIONSHIPS. THERE MAY BE CLOSE PERSONAL OR BUSINESS RELATIONSHIPS NOT COVERED BY THIS DEFINITION THAT WOULD CAUSE A REASONABLE PERSON TO DISCLOSE THE RELATIONSHIP BECAUSE THAT RELATIONSHIP WOULD BE CONSIDERED MATERIAL BY OTHER BOARD OR COMMITTEE MEMBERS.

PROCEDURES:

1. DUTY TO DISCLOSE

IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF HIS OR HER FINANCIAL OR

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OTHER INTEREST AND ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF
 COMMITTEES WITH BOARD DELEGATED POWERS CONSIDERING THE PROPOSED
 TRANSACTION OR ARRANGEMENT. A "MATERIAL FACT" IS ONE WHICH A REASONABLE
 PERSON WOULD CONSIDER SIGNIFICANT IN CONSIDERING THE MATTER TO BE
 DECIDED. IF A BOARD MEMBER IS UNCERTAIN ABOUT WHETHER A CONFLICT EXISTS,
 THEN THE MATTER SHOULD BE REPORTED TO THE PRESIDENT OR VICE-PRESIDENT FOR
 BOARD REVIEW.

2. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS
 AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS,
 AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE OR SHE SHALL
 LEAVE THE BOARD OR COMMITTEE MEETING WHILE DETERMINATION OF A CONFLICT OF
 INTEREST IS DISCUSSED AND VOTED UPON. THE REMAINING BOARD OR COMMITTEE
 MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS. IF NO CONFLICT,
 THEN THE PERSON MAY PARTICIPATE IN DISCUSSION OR VOTE.

3. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST
 A. AN INTERESTED PERSON MAY MAKE A PRESENTATION AT THE BOARD OR
 COMMITTEE MEETING, BUT AFTER SUCH PRESENTATION, HE/SHE SHALL LEAVE THE
 MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR
 ARRANGEMENT THAT RESULTS IN THE CONFLICT OF INTEREST.

B. THE CHAIRPERSON OF THE BOARD OR COMMITTEE SHALL, IF APPROPRIATE,
 APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES
 TO THE PROPOSED TRANSACTION OR ARRANGEMENT.

C. A FINANCIAL INTEREST IS NOT NECESSARILY A CONFLICT OF INTEREST; A

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PERSON WHO HAS A FINANCIAL INTEREST MAY HAVE A CONFLICT OF INTEREST ONLY

IF THE APPROPRIATE BOARD OR COMMITTEE DECIDES THAT CONFLICT OF INTEREST

EXISTS. FOR EXAMPLE, OWNING A SMALL SHARE OF STOCK IN A CORPORATION WITH

WHICH AGH/HS MAY DO BUSINESS DOES NOT CREATE AN IMPERMISSIBLE CONFLICT.

IT MUST, HOWEVER, BE DISCLOSED.

D. AFTER EXERCISING DUE DILIGENCE, THE BOARD OR COMMITTEE SHALL

DETERMINE WHETHER THE CORPORATION CAN OBTAIN A MORE ADVANTAGEOUS

TRANSACTION OR ARRANGEMENT WITH REASONABLE EFFORTS FROM A PERSON OR

ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT IN INTEREST.

E. IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT

REASONABLY ATTAINABLE UNDER CIRCUMSTANCES THAT WOULD NOT GIVE RISE TO A

CONFLICT OF INTEREST, THE BOARD OR COMMITTEE SHALL DETERMINE BY A

MAJORITY VOTE OF THE DISINTERESTED DIRECTORS WHETHER THE TRANSACTION OR

ARRANGEMENT IS IN THE ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM'S BEST

INTEREST AND FOR ITS OWN BENEFIT AND WHETHER THE TRANSACTION IS FAIR AND

REASONABLE TO THE CORPORATION AND SHALL MAKE ITS DECISION AS TO WHETHER

TO ENTER INTO THE TRANSACTION IS FAIR AND REASONABLE TO THE CORPORATION

AND SHALL MAKE THIS DECISION AS TO WHETHER TO ENTER INTO THE TRANSACTION

OR ARRANGEMENT IN CONFORMITY WITH SUCH DETERMINATION.

4. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY

A. IF THE BOARD OR COMMITTEE HAS REASONABLE CAUSE TO BELIEVE THAT A

MEMBER HAS FAILED TO DISCLOSE ACTUAL OR POSSIBLE CONFLICTS OF INTEREST,

THE CHAIRMAN SHALL INFORM THE MEMBER OF THE BASIS FOR SUCH BELIEF AND

AFFORD THE MEMBER AN OPPORTUNITY TO EXPLAIN THE ALLEGED FAILURE TO

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DISCLOSE.

B. IF, AFTER HEARING THE RESPONSE OF THE MEMBER AND MAKING SUCH FURTHER INVESTIGATION AS MAY BE WARRANTED IN THE CIRCUMSTANCES, THE BOARD OR COMMITTEE DETERMINES THAT THE MEMBER HAS IN FACT FAILED TO DISCLOSE AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, SHALL TAKE APPROPRIATE CORRECTIVE ACTION. THIS COULD INCLUDE BOARD CENSURE, REMOVAL FROM THE BOARD, OR A BOARD DECISION TO PROHIBIT AGREEMENTS OR FINANCIAL RELATIONSHIPS IN WHICH THE BOARD MEMBER HAS A DIRECT OR INDIRECT INTEREST. SENIOR LEADERSHIP STAFF WOULD BE SUBJECT TO AGH/HS DISCIPLINE.

RECORDS OF PROCEEDINGS:

THE MINUTES OF THE BOARD AND ALL COMMITTEES WITH BOARD DELEGATED POWERS SHALL CONTAIN:

1. THE NAMES OF THE PERSONS WHO DISCLOSED OR OTHERWISE WERE FOUND TO HAVE FINANCIAL INTEREST IN CONNECTION WITH AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, THE NATURE OF THE FINANCIAL INTEREST, ANY ACTION TAKE TO DETERMINE WHETHER A CONFLICT OF INTEREST WAS PRESENT, AND THE BOARD'S OR COMMITTEE'S DECISION AS TO WHETHER A CONFLICT OF INTEREST IN FACT EXISTED, AND

2. THE NAMES OF THE PERSONS WHO WERE PRESENT FOR DISCUSSION AND VOTES RELATING TO THE TRANSACTION OR ARRANGEMENT, THE CONTENT OF THE DISCUSSION, INCLUDING ANY ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT, AND A RECORD OF ANY VOTES TAKEN IN CONNECTION THEREWITH.

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COMPENSATION COMMITTEES:

1. A VOTING MEMBER OF ANY COMMITTEE WHOSE JURISDICTION INCLUDES
 COMPENSATION MATTERS AND WHO RECEIVES COMPENSATION, DIRECTLY OR
 INDIRECTLY, FROM THE ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM FOR SERVICES
 IS PRECLUDED FROM VOTING ON MATTERS PERTAINING TO THAT MEMBER'S
 COMPENSATION. "COMPENSATION" MEANS REMUNERATION OF ANY KIND.

2. PHYSICIANS, WHO RECEIVE COMPENSATION, DIRECTLY OR INDIRECTLY, FROM
 THE ATLANTIC GENERAL HOSPITAL/HEALTH SYSTEM, WHETHER AS EMPLOYEES OR
 INDEPENDENT CONTRACTORS, ARE PRECLUDED FROM MEMBERSHIP ON ANY COMMITTEE
 WHOSE JURISDICTION INCLUDES COMPENSATION MATTERS. NO PHYSICIAN, EITHER
 INDIVIDUALLY OR COLLECTIVELY, IS PROHIBITED FROM PROVIDING INFORMATION TO
 ANY COMMITTEE REGARDING COMPENSATION.

IN ADDITION, ALL MEMBERS OF THE BOARD OF DIRECTORS WHO HAVE ENGAGED IN
 MORE THAN \$10,000 OF BUSINESS WITH THE HOSPITAL WILL BE REQUIRED TO SIGN
 A DISCLOSURE STATEMENT FOR THE HSCRC ANNUALLY IN AUGUST.

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---	--

DETERMINATION OF COMPENSATION

PART VI, LINE 15

THE ORGANIZATION UTILIZES A COMPENSATION COMMITTEE, A WRITTEN EMPLOYMENT
 CONTRACT, A COMPENSTION SURVEY OR STUDY AND AN APPROVAL BY THE BOARD OR
 COMPENSATION COMMITTEE.

Name of the organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
---	--

DOCUMENT AVAILABILITY

PART VI, LINE 19

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST

POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

Name of the organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
---	--

BLANK LINES

THE ORGANIZATION DID NOT COMPLETE PART V, LINES 8 & 9 BECAUSE IT DID NOT

SPONSOR ANY DONOR ADVISED FUNDS.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2008

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

Name of the organization

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Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

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

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

Schedule R (Form 990) 2008

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?	
							Yes	No		Yes	No

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

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

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

	Yes	No
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 (iv) rent from a controlled entity	1a	
b Gift, grant, or capital contribution to other organization(s)	1b	
c Gift, grant, or capital contribution from other organization(s)	1c	
d Loans or loan guarantees to or for other organization(s)	1d	
e Loans or loan guarantees by other organization(s)	1e	
f Sale of assets to other organization(s)	1f	
g Purchase of assets from other organization(s)	1g	
h Exchange of assets	1h	
i Lease of facilities, equipment, or other assets to other organization(s)	1i	
j Lease of facilities, equipment, or other assets from other organization(s)	1j	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	
l Performance of services or membership or fundraising solicitations by other organization(s)	1l	
m Sharing of facilities, equipment, mailing lists, or other assets	1m	
n Sharing of paid employees	1n	
o Reimbursement paid to other organization for expenses	1o	
p Reimbursement paid by other organization for expenses	1p	
q Other transfer of cash or property to other organization(s)	1q	
r Other transfer of cash or property from other organization(s)	1r	

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

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		

Part VI Unrelated Organizations Taxable as a Partnership

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

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

=====

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
-----	-----	-----
NASON CONSTRUCTION 2000 FOULK RD WILMINGTON, DE 19810	CONSTRUCTION	1,170,627.
WAVELENGTH PO BOX 739 BERLIN, MD 21811	INFORMATION SYSTEMS	1,158,349.
TEAM HEALTH EAST PO BOX 634850 CINCINNATI, OH 45263-4850	HOSPITALIST PGM	1,593,596.
CLUB STAFFING PO BOX 731021 DALLAS, TX 75373	CONTRACT NURSING	288,868.
GENESIS REHABILITATION PO BOX 7247-6524 PHILADELPHIA, PA 19170-6524	PT OT AND ST SERVICE	362,313.
TOTAL COMPENSATION		----- 4,573,753. =====

FORM 990, PART VIII - INVESTMENT INCOME

=====

DESCRIPTION -----	(A) TOTAL REVENUE -----	(B) RELATED OR EXEMPT REVENUE -----	(C) UNRELATED BUSINESS REV. -----	(D) EXCLUDED REVENUE -----
INTEREST INCOME	306,626.			306,626.
TOTALS	----- 306,626. =====	----- =====	----- =====	----- 306,626. =====

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

=====

OTHER DEDUCTIONS

800.

800.
=====

RENT AND ROYALTY SUMMARY

=====

PROPERTY -----	TOTAL INCOME -----	DEPLETION/ DEPRECIATION -----	OTHER EXPENSES -----	ALLOWABLE NET INCOME -----
RENTAL PROPERTY	107,438.	-----	800.	106,638.
TOTALS	107,438.	=====	800.	106,638.

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

=====

DESCRIPTION	AMOUNT
-----	-----
GOLF TOURNAMENT	96,335.
PENGUIN SWIM	56,674.
HOSPITAL ANNIVERSARY CELEBRATE	67,464.

TOTAL	220,473.
	=====

FORM 990, PART VIII - FUNDRAISING EVENTS

=====

DESCRIPTION -----	GROSS INCOME -----	DIRECT EXPENSES -----	NET INCOME -----
GOLF TOURNAMENT	19,100.	23,843.	-4,743.
PENGUIN SWIM	NONE	13,636.	-13,636.
HOSPITAL ANNIVERSARY CELEBRATE	6,225.	12,483.	-6,258.
TOTALS	25,325.	49,962.	-24,637.

=====

FORM 990, PART VIII - GROSS SALES AND COST OF GOODS SOLD

=====

DESCRIPTION	GROSS SALES	BEGINNING INVENTORY	PURCHASES	SALARIES AND WAGES	OTHER COSTS	MINUS: ENDING INVENTORY	COST OF GOODS SOLD
-----	-----	-----	-----	-----	-----	-----	-----
GIFT SHOP	42,683.				32,095.		32,095.
THRIFT SHOP	124,864.				31,576.		31,576.
TOTALS	167,547.				63,671.		63,671.

=====

FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
PREPAID EXPENSES	1,904,321.
TOTALS	----- 1,904,321.
	=====

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

=====

DESCRIPTION	ENDING BOOK VALUE	COST OR FMV
-----	-----	-----
EQUITY SECURITIES	2,679,303.	FMV
TREASURY SECURITIES	17,141.	FMV
TOTALS	----- 2,696,444.	
	=====	

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE

=====

LENDER: BANK OF OCEAN CITY
 ORIGINAL AMOUNT: 472,500.
 INTEREST RATE: 7.880000
 MATURITY DATE: 01/01/2016
 REPAYMENT TERMS: MONTHLY PRINCIPAL AND INTEREST INSTALLMENTS

BEGINNING BALANCE DUE 289,005.
 ENDING BALANCE DUE 256,239.

LENDER: WILMINGTON TRUST FSB
 ORIGINAL AMOUNT: 1,500,000.
 INTEREST RATE: 8.250000
 MATURITY DATE: 01/01/2012
 REPAYMENT TERMS: MONTHLY
 SECURITY PROVIDED: EQUIPMENT

BEGINNING BALANCE DUE NONE

LENDER: WILMINGTON TRUST
 ORIGINAL AMOUNT: 1,570,000.
 MATURITY DATE: 04/09/2013

BEGINNING BALANCE DUE 1,517,667.
 ENDING BALANCE DUE 1,203,667.

LENDER: WILMINGTON TRUST
 ORIGINAL AMOUNT: 5,172,000.
 MATURITY DATE: 04/09/2013

BEGINNING BALANCE DUE 5,137,520.
 ENDING BALANCE DUE 4,930,640.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE 6,944,192.
 =====

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE 6,390,546.
 =====

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ **Attach to your tax return.** ▶ **See separate instructions.**

Name(s) shown on return

Identifying number

ATLANTIC GENERAL HOSPITAL

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1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 45

3

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37

4

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824

5

6 Gain, if any, from line 32, from other than casualty or theft

6

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

7

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions)

8

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)

9

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

SEE STATEMENT 1							-21,775.

11 Loss, if any, from line 7

11 ()

12 Gain, if any, from line 7 or amount from line 8, if applicable

12

13 Gain, if any, from line 31

13

14 Net gain or (loss) from Form 4684, lines 37 and 44a

14

15 Ordinary gain from installment sales from Form 6252, line 25 or 36

15

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824

16

17 Combine lines 10 through 16

17 -21,775.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 41, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions

18a

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14

18b

For Paperwork Reduction Act Notice, see separate instructions.

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25	If section 1245 property:				
	a Depreciation allowed or allowable from line 22	25a			
	b Enter the smaller of line 24 or 25a	25b			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
	a Additional depreciation after 1975 (see instructions)	26a			
	b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
	c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
	d Additional depreciation after 1969 and before 1976	26d			
	e Enter the smaller of line 26c or 26d	26e			
	f Section 291 amount (corporations only)	26f			
	g Add lines 26b, 26e, and 26f	26g			
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
	a Soil, water, and land clearing expenses	27a			
	b Line 27a multiplied by applicable percentage (see instructions)	27b			
	c Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
	a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
	b Enter the smaller of line 24 or 28a	28b			
29	If section 1255 property:				
	a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
	b Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 39. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33	
34	Recomputed depreciation (see instructions)	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2008 or other tax year beginning 07/01, 2008, and ending 06/30, 2009. See separate instructions.

A Check box if address changed

Name of organization (Check box if name changed and see instructions.)

D Employer identification number
(Employees' trust, see instructions for Block D on page 9.)

B Exempt under section
 501(C)(3)
 408(e) 220(e)
 408A 530(a)
 529(a)

Print or Type

ATLANTIC GENERAL HOSPITAL

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.

52-1656507

9733 HEALTHWAY DRIVE

City or town, state, and ZIP code

E Unrelated business activity codes
(See instructions for Block E on page 9.)

BERLIN, MD 21811

621110

F Group exemption number (See instructions for Block F on page 9.)

61,500,786.

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. **PHYSICIAN BILLING SERVICES**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of **ATLANTIC GENERAL HOSPITAL** Telephone number **410-641-9095**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales <u>225,479.</u>			
b	Less returns and allowances	1 c	<u>225,479.</u>	
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit. Subtract line 2 from line 1c	3	<u>225,479.</u>	<u>225,479.</u>
4 a	Capital gain net income (attach Schedule D)	4 a		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4 b		
c	Capital loss deduction for trusts	4 c		
5	Income (loss) from partnerships and S corporations (attach statement)	5		
6	Rent income (Schedule C)	6		
7	Unrelated debt-financed income (Schedule E)	7		
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10	Exploited exempt activity income (Schedule I)	10		
11	Advertising income (Schedule J)	11		
12	Other income (See page 11 of the instructions; attach schedule.)	12		
13	Total. Combine lines 3 through 12	13	<u>225,479.</u>	<u>225,479.</u>

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)	14	
15	Salaries and wages	15	<u>341,701.</u>
16	Repairs and maintenance	16	<u>25,371.</u>
17	Bad debts	17	<u>77.</u>
18	Interest (attach schedule)	18	
19	Taxes and licenses	19	
20	Charitable contributions (See page 13 of the instructions for limitation rules.)	20	
21	Depreciation (attach Form 4562)	21	<u>9,817.</u>
22	Less depreciation claimed on Schedule A and elsewhere on return	22 a	
		22 b	<u>9,817.</u>
23	Depletion	23	
24	Contributions to deferred compensation plans	24	
25	Employee benefit programs	25	<u>41,004.</u>
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	
28	Other deductions (attach schedule) <u>SEE STATEMENT 1</u>	28	<u>197,755.</u>
29	Total deductions. Add lines 14 through 28	29	<u>615,725.</u>
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	<u>-390,246.</u>
31	Net operating loss deduction (limited to the amount on line 30)	31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	<u>-390,246.</u>
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)	33	<u>1,000.</u>
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	<u>-390,246.</u>

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15.
 Controlled group members (sections 1561 and 1563) check here See instructions and:

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
 (1) _____ (2) _____ (3) _____

b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) _____
 (2) Additional 3% tax (not more than \$100,000) _____

c Income tax on the amount on line 34 **35c**

36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on the amount on line 34 from: Tax rate schedule or Schedule D (Form 1041) **36**

37 Proxy tax. See page 16 of the instructions **37**

38 Alternative minimum tax **38**

39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies **39**

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) **40a**

b Other credits (see page 17 of the instructions) **40b**

c General business credit. Attached Form 3800 **40c**

d Credit for prior year minimum tax (attach Form 8801 or 8827) **40d**

e Total credits. Add lines 40a through 40d **40e**

41 Subtract line 40e from line 39 **41**

42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule) **42**

43 Total tax. Add lines 41 and 42 **43**

44 a Payments: A 2007 overpayment credited to 2008 **44a**

b 2008 estimated tax payments **44b**

c Tax deposited with Form 8868 **44c**

d Foreign organizations: Tax paid or withheld at source (see instructions) **44d**

e Backup withholding (see instructions) **44e**

f Other credits and payments: Form 2439 _____ Form 4136 _____ Other _____ Total **44f**

45 Total payments. Add lines 44a through 44f **45**

46 Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached **46**

47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed **47** NONE

48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48** NONE

49 Enter the amount of line 48 you want: **Credited to 2009 estimated tax** **Refunded** **49** NONE

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here X

2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? X
 If YES, see page 5 of the instructions for other forms the organization may have to file.

3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

1 Inventory at beginning of year 1	6 Inventory at end of year 6		
2 Purchases 2	7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. 7		
3 Cost of labor 3			
4 a Additional section 263A costs (attach schedule) 4a			
b Other costs (attach schedule) 4b	8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? <input checked="" type="checkbox"/> X	Yes	No
5 Total. Add lines 1 through 4b 5			

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Signature of officer Date Title

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

Paid Preparer's Use Only

Preparer's signature Date 05/06/2010 Check if self-employed Preparer's SSN or PTIN P00482524

Firm's name (or yours if self-employed), address, and ZIP code COHEN, RUTHERFORD + KNIGHT, PC EIN 52-1202280
 6903 ROCKLEDGE DRIVE, SUITE 500 Phone no. 301-828-1002
 BETHESDA, MD 20817-1800

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions on page 19)

1 Description of property

Table with 4 rows for property description (1-4).

2 Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions directly connected with the income.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A).

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B).

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

Table with 5 columns: 1 Description of debt-financed property, 2 Gross income, 3 Deductions, 4 Amount of average acquisition debt, 5 Average adjusted basis, 6 Column 4 divided by column 5, 7 Gross income reportable, 8 Allocable deductions.

Totals. Total dividends-received deductions included in column 8.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

Table for Exempt Controlled Organizations with 6 columns: 1 Name of controlled organization, 2 Employer identification number, 3 Net unrelated income, 4 Total of specified payments made, 5 Part of column 4, 6 Deductions directly connected with income.

Nonexempt Controlled Organizations

Table for Nonexempt Controlled Organizations with 5 columns: 7 Taxable Income, 8 Net unrelated income, 9 Total of specified payments made, 10 Part of column 9, 11 Deductions directly connected with income.

Totals

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 21)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) . . . ▶						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals , Part II (lines 1-5) ▶		Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).			Enter here and on page 1, Part II, line 27.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 22)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
Total. Enter here and on page 1, Part II, line 14 ▶			

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS
=====

PAYROLL TAXES	25,054.
LEASES RENTALS	34,981.
OTHER	12,703.
PURCHASED SERVICES	98,020.
SUPPLIES	10,070.
UTILITIES	16,927.

PART II - LINE 28 - OTHER DEDUCTIONS	197,755.
	=====

**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

▶ See separate instructions.

OMB No. 1545-0123

2008

Name: **ATLANTIC GENERAL HOSPITAL** Employer identification number: **52-1656507**

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
2 Short-term capital gain from installment sales from Form 6252, line 26 or 37					2
3 Short-term gain or (loss) from like-kind exchanges from Form 8824					3
4 Unused capital loss carryover (attach computation),					4 ()
5 Net short-term capital gain or (loss). Combine lines 1 through 4					5

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

6	SEE STATEMENT 1				-79,728.
7 Enter gain from Form 4797, line 7 or 9					7
8 Long-term capital gain from installment sales from Form 6252, line 26 or 37					8
9 Long-term gain or (loss) from like-kind exchanges from Form 8824					9
10 Capital gain distributions (see instructions)					10
11 Net long-term capital gain or (loss). Combine lines 6 through 10					11 -79,728.

Part III Summary of Parts I and II

12 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11),	12	
13 Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5),	13	
14 Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns. If the corporation has qualified timber gain, also complete Part IV	14	

Note. If losses exceed gains, see **Capital losses** in the instructions.

Part IV Alternative Tax for Corporations with Qualified Timber Gains. Complete Part IV only if the corporation has qualified timber gain under section 1201(b). Skip this part if you are filing Form 1120-RIC. See instructions.

15 Enter qualified timber gain (as defined in section 1201(b)(2))	15	
16 Enter taxable income from Form 1120, page 1, line 30, or the applicable line of your tax return	16	
17 Enter the smallest of: (a) the amount on line 15; (b) the amount on line 16; or (c) the amount on Part III, line 13	17	
18 Multiply line 17 by 15%	18	
19 Subtract line 13 from line 16. If zero or less, enter -0-	19	
20 Enter the tax on line 19, figured using the Tax Rate Schedule (or applicable tax rate) appropriate for the return with which Schedule D (Form 1120) is being filed	20	
21 Add lines 17 and 19	21	
22 Subtract line 21 from line 16. If zero or less, enter -0-	22	
23 Multiply line 22 by 35%	23	
24 Add lines 18, 20, and 23	24	
25 Enter the tax on line 16, figured using the Tax Rate Schedule (or applicable tax rate) appropriate for the return with which Schedule D (Form 1120) is being filed	25	
26 Enter the smaller of line 24 or line 25. Also enter this amount on Form 1120, Schedule J, line 2, or the applicable line of your tax return	26	

For Paperwork Reduction Act Notice, see the Instructions for Form 1120. Schedule D (Form 1120) (2008)

