

Return of Organization Exempt From Income Tax

2009

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 2009 calendar year, or tax year beginning 07/01, 2009, and ending 06/30, 2010

Header section containing organization name (ATLANTIC GENERAL HOSPITAL), address (9733 HEALTHWAY DRIVE, BERLIN, MD 21811), and identification numbers.

Part I Summary

Table with 3 columns: Description, Prior Year, Current Year. Rows include mission statement, governance metrics, revenue (Total: 87,891,247), expenses (Total: 85,644,959), and net assets (Total: 34,661,204).

Part II Signature Block

Signature block containing declaration text, signature of officer, preparer's signature (COHEN, RUTHERFORD + KNIGHT, PC), and identifying numbers.

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [] No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.* Form 990 (2009)

Part III Statement of Program Service Accomplishments

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 \$ 67,366,435. including grants of \$ 38,078.) (Revenue \$ 85,645,540.)

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 2010: ADDMISSIONS: 3,964, PATIENT DAYS: 14,050, ED VISITS: 34,744 SURGERIES: 7,084, OTHER OUTPATIENT VISISTS: 76,492, TOTAL VISITS TO OUR PHYSICIAN PRACITICES WERE 54,689.

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 ▶ 67,366,435.

Part IV Checklist of Required Schedules

Table with 3 columns: Question, Yes, No. Rows 1-20 contain various questions about organizational activities and reporting requirements. Includes sub-rows 12a, 14a, 14b, 17, 18, 19, 20.

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24 a 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 lines 24b through 24d and complete Schedule K. If "No," go to question 25.</i>		X
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?		
25 a 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>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
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>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <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 sections 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
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Form with questions 1a through 12b regarding IRS filings and tax compliance, including a table with Yes/No columns and numerical input fields.

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body (20), 1b Enter the number of voting members that are independent (18), 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (X), 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (X), 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? (X), 5 Did the organization become aware during the year of a material diversion of the organization's assets? (X), 6 Does the organization have members or stockholders? (X), 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? (X), 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? (X), 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (X), b Each committee with authority to act on behalf of the governing body? (X), 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Does the organization have local chapters, branches, or affiliates? (X), 10b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?, 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? (X), 11A Describe in Schedule O the process, if any, used by the organization to review this Form 990., 12a Does the organization have a written conflict of interest policy? If "No," go to line 13 (X), 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (X), 12c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done (X), 13 Does the organization have a written whistleblower policy? (X), 14 Does the organization have a written document retention and destruction policy? (X), 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official (X), b Other officers or key employees of the organization (X), 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (X), 16b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MD,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. [] Own website [] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: CHERYL NOTTINGHAM 9733 HEALTHWAY DRIVE BERLIN, MD 21811 410-641-9095

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

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

Check this box if the organization did not compensate any current officer, director, or trustee.

(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	40.00	X		X				360,432.	0.	1,150.
KATHLEEN CLARK DIRECTOR	1.00	X						0.	0.	0.
J RUSSELL BARRETT DIRECTOR	1.00	X						0.	0.	0.
ROBERT DAVIS DIRECTOR	1.00	X						0.	0.	0.
JEFFREY GREENWOOD EX OFFICIO	1.00	X						0.	0.	0.
DEBBIE GOELLER EX OFFICIO	1.00	X						0.	0.	0.
ROBERT DURKIN DIRECTOR	1.00	X						44,542.	0.	0.
MICHAEL JAMES DIRECTOR	1.00	X						0.	0.	0.
WILLIAM HUDSON DIRECTOR	1.00	X						0.	0.	0.
W TODD HERSHEY EX OFFICIO	1.00	X						0.	0.	0.
IRA SHOCKLEY DIRECTOR		X								
JOHN TOWNSEND VICE CHAIR	1.00	X		X				0.	0.	0.
MICHAEL GUERRIERI DIRECTOR	1.00	X						0.	0.	0.
WINN BOOTH CHAIR	1.00	X		X				0.	0.	0.
JAMES BERGEY JR TREASURER	1.00	X		X				0.	0.	0.
ERIC BONTEMPO EX OFFICIO	1.00	X						0.	0.	0.

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

(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			
LOUIS TAYLOR SECRETARY/VICE CHAIR	1.00	X		X				0.	0.	0.
JOHN BURBAGE JR DIRECTOR/SECRETARY	1.00	X		X				0.	0.	0.
HUGH CROPPER DIRECTOR	1.00	X						0.	0.	0.
ELIZABETH GREGORY DIRECTOR	1.00	X						0.	0.	0.
GARRY MUMFORD DIRECTOR	1.00	X						0.	0.	0.
GREGORY SHOCKLEY DIRECTOR	1.00	X						0.	0.	0.
CHERYL NOTTINGHAM CFO	40.00			X				190,038.	0.	4,491.
COLLEEN WAREING VP PATIENT CARE	40.00				X			150,710.	0.	2,879.
JAMES BRANNON VP PROFESSIONAL SERVICES	40.00				X			151,816.	0.	2,378.
CHARLES KIM PHYSICIAN	40.00					X		369,321.	0.	2,378.
JEROME AUL PHYSICIAN	40.00					X		361,898.	0.	2,378.
JAMES SKOLKA PHYSICIAN	40.00					X		328,962.	0.	2,303.
ANTHONY PERELLA PHYSICIAN	40.00					X		308,623.	0.	2,287.
1b Total CONTINUED AT SCHEDULE J-2								2,638,214.	0.	21,972.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **9**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **5**

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	61,999.			
	d	Related organizations	1d				
	e	Government grants (contributions) . .	1e	203,602.			
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f	943,313.			
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f ▶		1,208,914.			
Program Service Revenue	2a	NET PATIENT REVENUE	Business Code	85,557,095.	85,557,095.		
	b	OTHER OPERATING	621110	311,640.	88,445.	223,195.	
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f ▶		85,868,735.			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 3 ▶		221,815.		
4		Income from investment of tax-exempt bond proceeds . . . ▶		0.			
5		Royalties ▶		0.			
			(i) Real	(ii) Personal			
6a		Gross Rents	46,308.				
b		Less: rental expenses					
c		Rental income or (loss)	46,308.				
d		Net rental income or (loss) ▶			46,308.		46,308.
			(i) Securities	(ii) Other			
7a		Gross amount from sales of assets other than inventory	359.				
b		Less: cost or other basis and sales expenses		2,553.			
c		Gain or (loss)	359.	-2,553.			
d		Net gain or (loss) ▶			2,912.		2,912.
8a		Gross income from fundraising events (not including \$ <u>225,724.</u> of contributions reported on line 1c). See Part IV, line 18 a		ATCH 4 22,000.			
b		Less: direct expenses b		45,463.			
c	Net income or (loss) from fundraising events ATCH. 5. ▶			-23,463.		-23,463.	
9a	Gross income from gaming activities. See Part IV, line 19 a						
b	Less: direct expenses b						
c	Net income or (loss) from gaming activities ▶			0.			
10a	Gross sales of inventory, less returns and allowances a		162,697.				
b	Less: cost of goods sold b		59,809.				
c	Net income or (loss) from sales of inventory ATCH. 9. ▶			102,888.		102,888.	
Miscellaneous Revenue				Business Code			
11a	CAFETERIA			159,061.			159,061.
b	OTHER			304,077.			304,077.
c							
d	All other revenue						
e	Total. Add lines 11a-11d ▶			463,138.			
12	Total Revenue. See instructions ▶			87,891,247.	85,645,540.	223,195.	813,598.

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 . . .	0.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	38,078.	38,078.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	0.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	36,106,780.	30,430,775.	5,540,571.	135,434.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	447,400.	447,400.		
9 Other employee benefits	5,194,855.	5,063,734.	131,121.	
10 Payroll taxes	2,444,199.	2,067,949.	366,471.	9,779.
11 Fees for services (non-employees):				
a Management	0.			
b Legal	115,805.	4,521.	111,284.	
c Accounting	243,950.		243,950.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	2,342,534.	1,849,459.	493,075.	
12 Advertising and promotion	974,377.	216,824.	757,323.	230.
13 Office expenses	15,670,624.	14,806,994.	855,072.	8,558.
14 Information technology	1,084,953.		1,084,953.	
15 Royalties	0.			
16 Occupancy	1,878,267.	1,594,860.	280,916.	2,491.
17 Travel	176,055.	74,566.	98,635.	2,854.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	54,609.	8,089.	46,520.	
20 Interest	0.			
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	3,558,267.	341,472.	3,216,795.	
23 Insurance	2,556,468.	518,770.	2,037,698.	
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 <u>OUTSIDE LAB SERVICES</u>	764,580.	764,580.		
b <u>REPAIRS & MAINTENANCE</u>	2,132,885.	1,284,349.	843,934.	4,602.
c <u>LAUNDRY AND LINENS</u>	425,301.	425,301.		
d <u>DATA PROCESSING</u>	34,687.	34,687.		
e <u>PURCHASED SERVICES & PRODUCT</u>	2,405,535.	1,082,068.	1,319,024.	4,443.
f All other expenses	6,994,750.	6,311,959.	664,355.	18,436.
25 Total functional expenses. Add lines 1 through 24f	85,644,959.	67,366,435.	18,091,697.	186,827.
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	13,738,934.	2	14,784,653.
	3 Pledges and grants receivable, net	366,817.	3	86,717.
	4 Accounts receivable, net	6,877,354.	4	7,869,664.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			6
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	1,219,308.	8	1,332,892.
	9 Prepaid expenses and deferred charges	1,904,321.	9	1,675,656.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 60,431,922.		
	b Less: accumulated depreciation	10b 25,035,310.	34,057,492.	10c 35,396,612.
	11 Investments - publicly traded securities	ATCH 7	2,696,444.	11 3,910,625.
	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		640,116.	15 604,276.
16 Total assets. Add lines 1 through 15 (must equal line 34)		61,500,786.	16 65,661,095.	
Liabilities	17 Accounts payable and accrued expenses	9,453,758.	17	8,629,503.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	10,817,041.	20	10,408,326.
	21 Escrow or custodial 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	ATCH 8	6,390,546.	23 8,060,422.
	24 Unsecured notes and loans payable to unrelated third parties			24
	25 Other liabilities. Complete Part X of Schedule D	2,347,205.	25	3,901,640.
	26 Total liabilities. Add lines 17 through 25		29,008,550.	26 30,999,891.
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	31,850,569.	27	34,383,306.
	28 Temporarily restricted net assets	641,667.	28	277,898.
	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	32,492,236.	33	34,661,204.
	34 Total liabilities and net assets/fund balances	61,500,786.	34	65,661,095.

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- 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?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form **990** (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

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

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An 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)**.
- 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?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		
 - (ii) A family member of a person described in (i) above?

	Yes	No
11g(ii)		
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(iii)		
- h Provide the following information about the supported organization(s).

(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									

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

Schedule A (Form 990 or 990-EZ) 2009

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) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (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 through 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) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (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 section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Percentage, and Unit. Rows include: 14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2008 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2009; b 33 1/3% support test - 2008; 17a 10%-facts-and-circumstances test - 2009; b 10%-facts-and-circumstances test - 2008; 18 Private foundation.

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

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. 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 - 2008. 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

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, or 990-PF.

OMB No. 1545-0047

2009

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

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 an organization 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 990-EZ that met the 33¹/₃% support test of the regulations under sections 509(a)(1) and 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 (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions 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 990-EZ that received from any one contributor, during the year, 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. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does 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, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

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	MHA 6820 DEERPATH RD ELKRIDGE, TX 21075	\$ 211,002.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	GUERRIERI FAMILY FOUNDATION PO BOX 680 OCEAN CITY, MD 21843	\$ 251,125.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	BULL ON THE BEACH 12507 SUNSET AVE OCEAN CITY, MD 21842	\$ 26,999.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	KELLY FOODS CORPORATION 3457 MEDINA RD MEDINA, OH 44256	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	SYSKO EASTERN MARYLAND PO BOX 477 POCOMOKE CITY, MD 21851	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	EMERGENCY SERVICE ASSOCIATES 9733 HEALTHWAY DR 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.)

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	COMMUNITY FOUNDATION OF EASTERN SHORE 1324 BELMONT AVE SALISBURY, MD 21804	\$ 5,386.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	CALVIN TAYLOR BANK 24 N MAIN 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.)
9	STATE MARYLAND DEPT HEALTH MENTAL HYGIEN 201 W PRESTON ST BALTIMORE, MD 21201	\$ 45,147.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	AGH JAG 35 ISLAND EDGE DR OCEAN CITY, MD 21842	\$ 9,850.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	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.)
12	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.)

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	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.)
14	AGH AUXILIARY 9733 HEALTHWAY DR BERLIN, MD 21811	\$ 135,300.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15	ESTATE OF KATHLEEN M PARKER 101 PINE ST BERLIN, MD 21811	\$ 240,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16	PENINSULA IMAGING LLC 918 EASTERN SHORE DR SALISBURY, MD 21804	\$ 27,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17	PEPSI BOTTLING VENTURES 2300 GODDARD PARKWAY\ SALISBURY, MD 21801	\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
18	STATE OF MARYLAND GOV OFFICE CRIME PREVT 300 E JOPPA RD BALTIMORE, MD 21286	\$ 33,455.	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	JOHN H PURNELL 13028 CONWAY ESTATE DR ST LOUIS, MO 63141	\$ 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 ELIZABETH L TAYLOR 6200 COASTAL HIGHWAY OCEAN CITY, MD 28142	\$ 20,000.	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.)

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year, and two questions about donor informed consent.

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

Form with multiple sections: Purpose(s) of conservation easements, table for held at the end of the year (2a-2d), and various questions about monitoring, expenses, and reporting.

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.

Form with questions 1a, 1b, 2, 2a, 2b regarding reporting of art, historical treasures, and similar assets.

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

3 Using the organization's acquisition, accession, and other records, check any of the following that 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 Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

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.

Table with 6 columns: (a) Current Year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g (Balance, Contributions, Net investment earnings, Grants, Expenditures, Administrative expenses, 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:

Table with 2 columns: Yes, No. Rows: 3a(i) unrelated organizations, 3a(ii) related organizations, 3b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

- (i) unrelated organizations
(ii) related organizations

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

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.

Table with 5 columns: Description of investment, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other, Total.

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

Table with 10 rows and 3 columns: Line number, Description, and Amount. Total revenue (87,891,247), Total expenses (85,644,959), Excess or (deficit) for the year (2,246,288), Net unrealized gains (238,545), Total adjustments (net) (-77,320), Excess or (deficit) for the year per audited financial statements (2,168,968).

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

Table with 5 main rows and 3 columns: Line number, Description, and Amount. Total revenue (87,464,743), Amounts included on line 1 but not on Form 990 (271,270), Subtract line 2e from line 1 (87,193,473), Amounts included on Form 990 but not on line 1 (697,774), Total revenue (87,891,247).

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

Table with 5 main rows and 3 columns: Line number, Description, and Amount. Total expenses (85,576,479), Amounts included on line 1 but not on Form 990 (85,576,479), Subtract line 2e from line 1 (85,576,479), Amounts included on Form 990 but not on line 1 (68,480), Total expenses (85,644,959).

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, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIV Supplemental Information (continued)

RECONCILIATION OF REVENUE

NET ASSETS RELEASED FROM RESTRICTION (271,270)

RESTRICTED CONTRIBUTIONS	535,679
PLEDGED RECEIVED FOR PROP	89,669
PLEDGES RECEIVED	6,544
OTHER EXP IN OTHER INC	65,882

	697,774

RECONCILIATION OF EXPENSES

K-1 MARYLAND ECARE	2,598
MISC EXP IN OTHER INCOME	65,882

	68,480

RECONCILIATION OF NET ASSETS

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	
		GOLF (event type)	PENGUIN SWIM (event type)	1 (total number)	(add col. (a) through col. (c))	
Revenue	1	Gross receipts	90,150.	87,139.	70,435.	247,724.
	2	Less: Charitable contributions	73,450.	87,139.	65,135.	225,724.
	3	Gross income (line 1 minus line 2)	16,700.		5,300.	22,000.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes		7,255.		7,255.
	6	Rent/facility costs				
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses	21,411.	6,129.	10,668.	38,208.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				
11	Net income summary. Combine line 3, column (d), and line 10					-23,463.

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	Noncash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
	6	Volunteer labor	Yes _____% No	Yes _____% No	Yes _____% No	
7	Direct expense summary. Add lines 2 through 5 in column (d)					()
8	Net gaming income summary. Combine line 1, column d, and line 7					

	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	

13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► _____
 Address ► _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? **15a**

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____.

c If "Yes," enter name and address of the third party:
 Name ► _____
 Address ► _____

16 Gaming manager information:

Name ► _____
 Gaming manager compensation ► \$ _____
 Description of services provided ► _____
 Director/officer Employee Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? **17a**

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____

	Yes	No
13a		
13b		
14		
15a		
15b		
15c		
16		
17a		
17b		

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2009

Open to Public Inspection

- ▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

Part I Charity Care and Certain Other Community Benefits at Cost

		Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a	1a	X	
b If "Yes," is it a written policy?	1b	X	
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 checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a	X	
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 checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b	X	
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.			
4 Does the organization's policy provide free or discounted care to the "medically indigent"?	4	X	
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	X	
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	X	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		X
6a Does the organization prepare an annual community benefit report?	6a	X	
b If "Yes," does the organization make it available to the public?	6b	X	

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

7 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)			1,255,969.		1,255,969.	
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			1,255,969.		1,255,969.	
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			2,542,243.	131,304.	2,410,939.	
f Health professions education (from Worksheet 5)			513,538.		513,538.	
g Subsidized health services (from Worksheet 6)			15,866,076.	8,065,531.	7,800,545.	
h Research (from Worksheet 7)			11,850.		11,850.	
i Cash and in-kind contributions to community groups (from Worksheet 8)			105,633.		105,633.	
j Total Other Benefits			19,039,340.	8,196,835.	10,842,505.	
k Total Add lines 7d and 7j			20,295,309.	8,196,835.	12,098,474.	

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

Schedule H (Form 990) 2009

JSA

9E1284 2.000

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(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			5,047.		5,047.	.01
3 Community support			23,223.		23,223.	.03
4 Environmental improvements			18,760.		18,760.	.02
5 Leadership development and training for community members						
6 Coalition building			83,758.	150.	83,608.	.10
7 Community health improvement advocacy			8,424.		8,424.	.01
8 Workforce development			99,106.		99,106.	.11
9 Other						
10 Total			238,318.	150.	238,168.	.28

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?
- Enter the amount of the organization's bad debt expense (at cost)
- Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy
- 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, and rationale for including other bad debt amounts in community benefit.

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

Section B. Medicare

- Enter total revenue received from Medicare (including DSH and IME)
- Enter Medicare allowable costs of care relating to payments on line 5
- Subtract line 6 from line 5. This is the surplus or (shortfall)

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:

- Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

- Does the organization have a written debt collection policy?
- 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

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

Part VI Supplemental Information

Complete this part to provide the following information.

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

MHA

PART I, LINE 7A, 7B, 7F

PART 1 LINE 7 (A) (COLUMN D) MARYLAND'S REGULATORY SYSTEM CREATES A

UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE

NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES

PAYMENT THROUGH A RATE- SETTING PROCESS AND ALL PAYORS, INCLUDING

GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED

AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A

METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH

DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE

RELATED TO UNCOMPENSATED CARE.

PART 1 LINE7B (COLUMNS C-F) - MARYLAND'S REGULATORY SYSTEM CREATES A

UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE

NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES

PAYMENT THROUGH A RATE-SETTING PROCESS AND ALL PAYORS, INCLUDING

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Part VI Supplemental Information

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METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY DIRECTED OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. COMMUNITY BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE-SETTING SYSTEM.

PART 1 LINE 7F COLUMN C - MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT THROUGH A RATE-SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE.

PART 1 LINE 7F COLUMN D - MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE

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PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION.

THE HEALTH SERVICES COST REVIEW COMMISSION, (HSCRC) DETERMINES PAYMENT

THROUGH A RATE- SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL

PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME

HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR

REFERENCING UNCOMPENSATED CARE IN EACH PAYORS' RATES, WHICH DOES NOT

ENABLE MARYLAND HOSPITALS TO BREAKOUT ANY OFFSETTING REVENUE RELATED TO

UNCOMPENSATED CARE

PART I, LINE 3C:

IN ADDITION TO QUALIFYING FOR FINANCIAL ASSISTANCE UNDER THE FPG

RULES UTILIZED BY AGH, PATIENTS CAN BE ELIGIBLE FOR FINANCIAL

ASSISTANCE IN CATASTROPHIC MEDICAL SITUATIONS WHEN AGH MEDICAL

LIABILITIES ARE GREATER THAN 40% OF THE ANNUAL INCOME.

IN SUCH CATASTROPHIC MEDICAL SITUATIONS, ONLY INCOME AND FAMILY SIZE

IS CONSIDERED UNLESS AMOUNT REQUESTED IS GREATER THAN \$20,000 THEN

LIQUID ASSETS WILL BE CONSIDERED.

Part VI Supplemental Information

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PART III, LINE 4:

WE STRONGLY BELIEVE THAT A MATERIALLY SIGNIFICANT PERCENTAGE OF OUR
 BAD DEBT EXPENSE WOULD BE CLASSIFIED AS "CHARITY CARE" HAD THE
 PATIENT CREATING THE BAD DEBT EXPENSE FILED FOR FINANCIAL ASSISTANCE.
 HOWEVER, WE DO NOT CURRENTLY POSSESS THE CAPACITY FOR DETERMINING
 HOW MANY OF OUR PATIENTS WOULD HAVE BEEN ELIGIBLE FOR CHARITY CARE
 HAD THEY COMPLETED THE FINANCIAL ASSISTANCE APPLICATION. ANY ESTIMATE
 ON OUR PART WOULD BE PURELY "SPECULATIVE" AND WE COULD NOT SUPPORT IT
 THROUGH EMPIRICAL DATA, THEREFORE, WE HAVE CHOSEN TO LEAVE THIS
 NUMBER BLANK. WE HAVE NOT NOTED THE NUMBER AS BEING ZERO, SINCE WE
 KNOW SOME OF THE BAD DEBT EXPENSE WOULD QUALIFY AS CHARITY CARE, BUT
 WE HAVE LEFT THIS ANSWER BLANK BECAUSE WE FEEL AN ACCURATE ESTIMATE
 IS UNOBTAINABLE.

PART III, LINE 9B:

OUR POLICY STATES "ALL EFFORTS WILL BE MADE TO EDUCATE AND ASSIST
 PATIENTS WITH APPLYING FOR VARIOUS PROGRAMS FOR MARYLAND MEDICAL
 ASSISTANCE. THE CURRENT PROCESS ALLOWS FOR PATIENTS TO APPLY AND
 RECEIVE FINANCIAL ASSISTANCE POST DISCHARGE. THIS WINDOW OF

Part VI Supplemental Information

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OPPORTUNITY REMAINS OPEN UNTIL THE ACCOUNT IS TURNED OVER TO

"COLLECTIONS" WHICH IS APPROXIMATELY 90 DAYS AFTER DISCHARGE. AGH

DEEMED THIS IS A SUFFICIENT TIME FRAME FOR AN INDIVIDUAL TO SEEK

FINANCIAL ASSISTANCE. IT SHOULD BE NOTED THAT AS OF TODAY MAY 4TH

2011 AGH IS WORKING ON CHANGING THAT POLICY AND ALLOWING PEOPLE TO

RECEIVE FINANCIAL ASSISTANCE REGARDLESS OF THE STATUS OF THEIR

ACCOUNT.

NEEDS ASSESSMENT:

THE HOSPITAL IS CURRENTLY WORKING UNDER THE STRATEGIC INITIATIVES

WHICH WERE DEVELOPED FOR PLANNING THROUGH 2010. EACH YEAR, WITHIN

THIS FRAMEWORK THE HOSPITAL MAKES PLANS FOR THE UPCOMING YEAR USING

THE SWOT/GAP ANALYSIS MODEL. USING THIS MODEL THE LEADERSHIP TEAM

MEETS WITH MEDICAL STAFF TO LOOK AT STRENGTHS, WEAKNESSES,

OPPORTUNITIES AND THREATS TO PLAN FOR THE COMING FISCAL YEAR. THIS

INFORMATION THEN GOES TO THE HOSPITAL BOARD TO, ALONG WITH SENIOR

LEADERSHIP, FINALIZES THE STRATEGIC INITIATIVES FOR THE COMING YEAR.

USING THIS INFORMATION THE COMMUNITY BENEFITS COMMITTEE AND THE

VISIONS FOR TOTAL HEALTH ADVISORY BOARD DETERMINE THE GOALS FOR THE

Part VI Supplemental Information

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COMING YEAR.

THE DOCUMENTS USED BY THE HOSPITAL TO DETERMINE COMMUNITY NEEDS ARE:

1. THE HEALTH ASSESSMENT PUBLICATION FROM THE HEALTH DEPARTMENT,

2009

2. WORCESTER COUNTY LOCAL HEALTH PLAN, FY 2008

3. TRI-COUNTY ADOLESCENTS ASSOCIATION

4. STATE OF MARYLAND CANCER REGISTRY

5. LATEST CENSUS UPDATE FOR INCOME LEVELS REGARDING PROVISION OF

RESOURCES FOR FINANCIAL ASSISTANCE SUPPORT

6. FEEDBACK FROM AREA PHYSICIANS AND COMMUNITY MEMBERS

7. QUESTIONNAIRES AND EVALUATIONS FROM OUR COMMUNITY EVENTS

8. NCR PICKER PATIENT EVALUATIONS AND FEEDBACK

9. HOSPITAL PERCEPTION SURVEY, 2010

LEADERSHIP MEMBERS FROM THE HOSPITAL SIT ON THE BOARDS OF MANY

COMMUNITY ORGANIZATIONS INCLUDING:

1. THE LOCAL MANAGEMENT BOARD

2. PUBLIC SAFETY NET COUNCIL

Part VI Supplemental Information

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3. CHILD ADVOCACY BOARD

4. WORCESTER COUNTY SCHOOL BOARD

5. YMCA

6. TRI COUNTY DIABETES ALLIANCE

7. CHAMBER OF COMMERCE OF TOWNS THROUGHOUT THE REGION

8. MANY HEALTH DEPARTMENT COUNCILS

WE ALSO HAVE A "VISIONS FOR TOTAL HEALTH ADVISORY BOARD" COMPRISED OF
 COMMUNITY PROVIDERS OF HEALTH RELATED SERVICES INCLUDING TRADITIONAL
 AS WELL AS INTEGRATIVE HEALTH SERVICES. THROUGH THIS COMMITTEE WE CAN
 KEEP OUR FINGER ON THE PULSE OF THE AREA IN WHICH WE SERVE. THIS
 COMMITTEE GIVES US GREAT FEEDBACK ON SERVICES AND PROGRAMS THAT ARE
 NEEDED, THOSE THAT ARE WORKING AND THOSE THAT AREN'T. IT IS THROUGH
 THIS COMMITTEE THAT WE PUT ON A MAJOR HEALTH CONFERENCE EACH YEAR
 WHICH PROVIDES HEALTH EDUCATION AS WELL AS SCREENINGS. THIS YEAR THE
 COMMITTEE DECIDED TO TAKE THE HEALTH CONFERENCE "ON THE ROAD" AND TO
 HOLD IT IN DIFFERENT TOWNS IN OUR SERVICE EACH YEAR. HAVING HELD IT
 IN THE NORTHERN END OF THE COUNTY SINCE ITS INCEPTION IT WILL BE HELD
 IN THE SOUTHERN MOST TOWN IN THE COUNTY IN NOVEMBER 2010.

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OUR AUXILIARY VOLUNTEERS ARE ANOTHER GREAT RESOURCE WE USE FOR
KEEPING OUR PULSE ON THE COMMUNITY. WE HAVE OVER 400 AUXILLIANS.
THEY ARE ACTIVE ON MANY COMMITTEES WITHIN THE HOSPITAL AND ALSO
REPRESENT THE HOSPITAL ON COMMUNITY BOARDS.

MEMBERS OF THE HOSPITAL STAFF SIT ON MANY COMMITTEES AND BOARDS OF
THE HEALTH DEPARTMENT; ALCOHOL AND DRUG COUNCIL, TOBACCO AND CANCER
BOARD, COMMUNITY SAFETY NET, DISASTER PREPAREDNESS, FLU. ALSO THERE
ARE MANY MEMBERS OF THE HEALTH DEPARTMENT WHO SIT ON COMMITTEES
WITHIN THE HOSPITAL. WE WORK VERY CLOSELY WITH OUR LOCAL HEALTH
DEPARTMENT TO PLAN SERVICES TO MEET COMMUNITY NEEDS AND DECREASE THE
DUPLICATION OF SERVICES. WITH THE RECENT BUDGET CUTS WE ARE LOOKING
AT SERVICES MORE CLOSELY WITH THE COUNTY HEALTH DEPARTMENT AND OUR
COUNTY COMMISSIONERS TO ELIMINATE DUPLICATION OF SERVICES.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

WE HAVE SIGNAGE THROUGHOUT THE HOSPITAL, BROCHURES IN ALL WAITING
AREAS, EDUCATION OF STAFF TO ANSWER QUESTIONS, HOSPITAL SUPPORT

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

SERVICES TO HELP PATIENTS APPLY FOR MEDICAL ASSISTANCE AND HOSPITAL

FINANCIAL COUNSELORS TO GUIDE PATIENTS TO SERVICES THEY MAY QUALIFY

FOR.

ALL INPATIENTS ARE PROVIDED WITH A FINANCIAL ASSISTANCE APPLICATION

IN THEIR DISCHARGE PACKAGE. IN ADDITION, DURING THE REGISTRATION

PROCESS IF THE PATIENT DOES NOT HAVE INSURANCE THE REGISTRAR OR

FINANCIAL COUNSELOR WILL ASK IF THEY ARE INTERESTED IN APPLYING FOR

FINANCIAL ASSISTANCE AND EVEN HELP WITH FILLING OUT THE APPLICATION.

ANY PATIENT WHO SEEKS FINANCIAL ASSISTANCE WILL READILY FIND

INFORMATION AND AGH ASSOCIATES WILLING TO HELP WITH THE PROCESS.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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COMMUNITY INFORMATION:

 WORCESTER COUNTY IS THE EASTERNMOST COUNTY LOCATED IN THE U.S. STATE

 OF MARYLAND. THE COUNTY CONTAINS THE ENTIRE LENGTH OF THE STATE'S

 ATLANTIC COAST LINE. IT IS HOME TO THE POPULAR VACATION RESORT AREA

 OF OCEAN CITY. THE COUNTY IS APPROXIMATELY 60 MILES LONG. ACCORDING

 TO THE U.S. CENSUS BUREAU, THE COUNTY HAS A TOTAL AREA OF 695 SQUARE

 MILES OF WHICH, 473 SQUARE MILES OF IT IS LAND AND 221 SQUARE MILES

 OF IT IS WATER.

 ATLANTIC GENERAL IS LOCATED IN A NON-URBAN AREA OF MARYLAND 10 MILES

 FROM THE ATLANTIC OCEAN. THE 2010 CENSUS SHOWED A POPULATION OF

 51,454. MEDIAN HOUSEHOLD INCOME IN 2008 WAS \$50,347 (NOTE STATEWIDE

 IS \$70,482). ALSO PERSONS BELOW THE POVERTY LEVEL ARE 10.5% COMPARED

 TO A 8.2% STATEWIDE. THE AGE IS BROKEN DOWN AS FOLLOWS: 5> 5% 18>

 18.8%, 65< 23%. 51.6% OF THE POPULATION IS FEMALE AND 14.8% ARE BLACK

 AND 83% ARE WHITE. DURING THE SUMMER MONTHS WE SERVICE A RESORT

 AREA OF OCEAN CITY, SO OUR EMERGENCY DEPARTMENT SEES LOTS OF TOURISTS

 VISITING THE AREA. SINCE THIS IS ALSO A RETIREMENT COMMUNITY 51% OF

 OUR BUSINESS COMES FROM MEDICARE (NOTE 23% OF WORCESTER COUNTIES

Part VI Supplemental Information

Complete this part to provide the following information.

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POPULATION IS OVER 65). OUR REMAINING PAYOR MIX IS THE FOLLOWING:

MEDICAID 6%, COMMERCIAL AND HMO'S 23%, CARE FIRST 13%, AND SELF PAY

AND OTHERS OS 7%.

IN THE WORCESTER COUNTY HEALTH DEPARTMENT REPORT FROM 2005 THE

AGE-ADJUSTED MORTALITY RATE IS 800/100,000 AND FOR THE OVER 64 YEARS

OF AGE POPULATION IT WAS 4,000/100,000. INFORMATION FROM THE SAME

REPORT SHOWED THE TOP THREE LEADING CAUSES OF DEATH IN THE COUNTY

WERE: #1 CANCER, #2 CARDIOVASCULAR DISEASES, #3 ACCIDENTS.

THE LARGEST CONCENTRATION OF THE POPULATION IS IN THE NORTHERN PART

OF THE COUNTY WHERE THE OCEAN CITY RESORT AREA IS LOCATED AND THE

BERLIN/OCEAN PINES AREA; WHICH IS A MECCA FOR RETIREES WHO LIVE HERE

FULL TIME OR DIVIDE THEIR TIME BETWEEN MARYLAND AND FLORIDA. THE

POPULATION OF OCEAN CITY INCREASES BY ABOUT 100,000 DURING THE

TOURIST SEASON.

COMMUNITY BUILDING ACTIVITIES:

THROUGH THE COMMUNITY BUILDING ACTIVITIES WE ARE ABLE TO KEEP OUR

PULSE ON THE COMMUNITIES WE SERVE. WITH THIS INFORMATION AND THE

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
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NEEDS ASSESSMENT IN WHICH WE PARTICIPATE WE ARE BETTER ABLE TO PLAN

PROGRAMMING THAT TARGETS THE NEEDS OF OUR PEOPLE. THROUGH THE

COMMUNITY BUILDING ACTIVITIES WE ARE ABLE TO PROMOTE THE PROGRAMS WE

DO OFFER AND ASSURE THEY ARE REACHING THE TARGETED AUDIENCE. EXAMPLES

OF THESE SPECIFIC ACTIVITIES WOULD BE THE SMALL NEIGHBORHOOD-TYPE

HEALTH FAIRS IN WHICH WE ARE INVOLVED, THE EVENTS WHICH TARGET YOUNG

PEOPLE AND THE NEEDS THAT ARE FILLED THROUGH OUR SPEAKERS BUREAU.

OUR INVOLVEMENT IN THE COMMUNITY BUILDING ACTIVITIES INCLUDES OUR

PARTICIPATION IN THE LOCAL HABITAT FOR HUMANITY. THROUGH THIS GROUP

OUR STAFF HAVE LOGGED MANY HOURS OF SERVICE TO BUILD HOUSES FOR 3

LOCAL FAMILIES. SCHOOL MENTORING PROGRAMS IS ANOTHER COMMUNITY

BUILDING ACTIVITY IN WHICH OUR STAFF ISARE VERY ACTIVE. WE HAVE

STUDENTS FROM OUR LOCAL HIGH SCHOOL WHO DO A SHADOWING PROGRAM

THROUGHOUT ALL DEPARTMENTS OF OUR HOSPITAL. THIS HELPS THEM IN MAKING

A CAREER CHOICE THROUGH EXPOSURE TO DIFFERENT JOBS IN THE HEALTH CARE

ARENA.

WE HAVE STAFF WHO REPRESENT THE HOSPITAL ON MANY CIVIC BOARDS SUCH AS

Part VI Supplemental Information

Complete this part to provide the following information.

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ALL THE LOCAL AREA CHAMBERS, VARIOUS CIVIC GROUPS SUCH AS LIONS CLUB

AND ROTARY, YMCA AND THE LOCAL COUNTY SCHOOL BOARD. WE ALSO

PARTICIPATE IN THE ACS RELAY FOR LIFE, MARCH OF DIMES WALK FOR

BABIES.

WE PROVIDE EMS TRAINING FOR THE LOCAL FIRE COMPANIES, MOST OF WHOM

ARE VOLUNTEER STAFFED. WE OFFER AN EXCHANGE PROGRAM OF EQUIPMENT

WHICH HELPS THEM WITH TRANSPORTS TO THE EMERGENCY DEPARTMENT.

AGH WORK WITH THE LOCAL FAITH BASED COMMUNITIES BY PROVIDING

EDUCATION AND SERVICES TO THEIR CONGREGATIONS. WE HAVE A FAITH BASED

MEDICAL HOME GROUP WHICH MEETS WITH CLERGY AND LAY HEALTH AMBASSADORS

FROM THEIR HOUSES OF WORSHIP TO FUNNEL THE MESSAGE OF HEALTH AND

WELLNESS TO THEIR PEOPLE.

ONE OF OUR BUILDINGS ON CAMPUS HOUSES OUR COUNTY CHILD ADVOCACY

CENTER. THROUGH THIS STATE OF THE ART FACILITY THE VICTIM HAS TO TELL

THEIR STORY ONLY ONCE TO ONE PERSON WHILE ALL THE OTHERS WHO NEED TO

SEE AND HEAR THE TESTIMONY CAN WATCH THROUGH A CLOSED CIRCUIT

SYSTEM.

Part VI Supplemental Information

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ALSO PART OF OUR COMMUNITY BUILDING PROGRAM INCLUDES OUR

PARTICIPATION IN DISASTER PREPAREDNESS. BECAUSE WE ARE GEOGRAPHICALLY

LOCATED IN AN AREA OF EXTREME POTENTIAL DISASTER, ONLY 6 MILES FROM

THE ATLANTIC OCEAN, WE WOULD BE THE SOURCE OF CARE AND PROTECTION FOR

MANY IN THE AREA SHOULD A MAJOR HURRICANE HIT OUR AREA OF COASTLINE.

PART OF THE HOSPITAL'S PROVISION FOR THE COMMUNITY IN SUCH A DISASTER

WOULD BE TO PROVIDE CLEAN DRINKING WATER FOR THEM; THROUGH THE NEW

WATER PURIFICATION SYSTEM WHICH WE RECENTLY PURCHASED AND INSTALLED

WE HAVE THE ABILITY TO PROVIDE CLEAN WATER FOR NOT JUST OUR PATIENTS

AND STAFF BUT FOR THE COMMUNITY AT LARGE.

OTHER INFORMATION:

SOME OF THE SERVICES WHICH THE HOSPITAL PROVIDES FOR, THE FREE TO

THE COMMUNITY WHICH PROMOTE HEALTH INCLUDE:

1. LIVING WELL - THIS IS CHRONIC DISEASE SELF MANAGEMENT PROGRAM

FROM STANFORD UNIVERSITY. THIS PROGRAM TEACHES PEOPLE HOW TO

LIVE A BETTER LIFE IN THE MIDST OF THE LIMITATIONS CAUSED BY

THEIR CHRONIC CONDITIONS.

Part VI Supplemental Information

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2. HYPERTENSION CLINICS - WE PROVIDE BLOOD PRESSURE SCREENINGS IN

LOCAL PHARMACIES MONTHLY AS WELL AS AT MANY OTHER MEETINGS AND

CONVENTIONS IN THE AREA. THESE HELP RESIDENTS MONITOR THEIR BLOOD

PRESSURE AND RELIEVE SOME OVERCROWDING IN OUR PHYSICIAN OFFICES.

THIS ALLOWS US THE OPPORTUNITY TO PROVIDE ONE-ON-ONE TEACHING TO

INDIVIDUALS.

3. HEALTHFAIRS - THE HOSPITAL IS INVOLVED IN SEVERAL LARGE AND SMALL

HEALTHFAIR EVENTS IN VARIOUS LOCATIONS THROUGHOUT THE YEAR. ONE

SUCH EVENT IS A PARTNERSHIP WITH AARP TO OFFER A FAIR WITH MANY

SCREENINGS AND HEALTH INFORMATION. WE ALSO SPONSOR AN EDUCATIONAL

AND SCREENING CONFERENCE ONCE A YEAR CALLED OURT VISIONS FOR TOTAL

HEALTH CONFERENCE. THIS IS HELD IN VARIOUS LOCATIONS WITHIN OUR

SERVICE AREA WHICH ALLOWS US TO PROVIDE FREE SERVICES TO THOSE WHO

MIGHT NOT OTHERWISE BE ABLE TO ACCESS HEALTH CARE. WE ALSO PARTNER

WITH MANY CHURCHES AND COMMUNITY GROUPS TO OFFER SMALL HEALTH

FAIRS.

4. WE PROVIDE EDUCATION IN WRITTEN FORM THROUGH LOCAL PUBLICATIONS

(NEWSPAPERS AND MAGAZINES) AND OUR OWN ON CALL QUARTERLY

PUBLICATION. MANY OF OUR PHYSICIANS PROVIDE ARTICLES FOR THESE.

Part VI Supplemental Information

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5. WE ALSO HAVE A SPEAKER'S BUREAU WHICH PROVIDES EDUCATIONAL

PRESENTATIONS FOR AREA, CIVIC GROUPS, BUSINESSES, CHURCHES,

SCHOOLS AND CONVENTIONS WHICH ARE HELD IN OUR RESORT AREA.

6. WE PROVIDE EDUCATION FOR THE LOCAL SCHOOLS THROUGH OUR HOSPITAL

TOUR PROGRAM AND SPONSORSHIP OF FOOD PLAY PRODUCTIONS. THESE

PROGRAMS ALLOW US TO SPREAD THE HEALTH MESSAGE AGAINST CHILDHOOD

OBESITY TO THE YOUNGER GENERATION.

7. BEING IN A BEACH RESORT COMMUNITY THERE ARE MANY SPORTING EVENTS

WHICH OCCUR LOCALLY. WE PARTICIPATE IN MANY OF THESE BY PROVIDING

FIRST AID ON SITE FOR THOSE IN ATTENDANCE AND THOSE PARTICIPATING

IN THE ACTIVITY.

ALL STATES WHICH ORGANIZATION FILES A COMMUNITY BENEFIT REPORT:

MD,

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 Part IV and 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
SCHOLARSHIPS		38,078.			

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

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

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 Part IV and 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.

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

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 any of the boxes on 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, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

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

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

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

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

	Yes	No
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a		
5b		
6a		
6b		
7		
8		
9		

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

Schedule J (Form 990) 2009

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) Retirement and other 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)	290,769.	69,663.	0.	0.	1,150.	361,582.	
	(ii)	0.	0.	0.	0.	0.	0.	
CHERYL NOTTINGHAM	(i)	175,405.	14,633.	0.	0.	4,491.	194,529.	
	(ii)	0.	0.	0.	0.	0.	0.	
CHARLES KIM	(i)	368,466.	855.	0.	0.	2,378.	371,699.	
	(ii)	0.	0.	0.	0.	0.	0.	
JEROME AUL	(i)	361,898.	0.	0.	0.	2,378.	364,276.	
	(ii)	0.	0.	0.	0.	0.	0.	
JAMES SKOLKA	(i)	312,601.	16,361.	0.	0.	2,303.	331,265.	
	(ii)	0.	0.	0.	0.	0.	0.	
ANTHONY PERELLA	(i)	303,623.	5,000.	0.	0.	2,287.	310,910.	
	(ii)	0.	0.	0.	0.	0.	0.	
COLLEEN WAREING	(i)	139,443.	11,267.	0.	0.	2,879.	153,589.	
	(ii)	0.	0.	0.	0.	0.	0.	
JAMES BRANNON	(i)	140,007.	11,809.	0.	0.	2,378.	154,194.	
	(ii)	0.	0.	0.	0.	0.	0.	
SCOTT KNOWLTON	(i)	369,435.	2,437.	0.	0.	1,728.	373,600.	
	(ii)	0.	0.	0.	0.	0.	0.	
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Area with horizontal dashed lines for supplemental information.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

ATLANTIC GENERAL HOSPITAL

Supplemental Information to Form 990

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.**

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Employer identification number

52-1656507

ATTACHMENT 1

PROCESS OF REVIEWING RETURN

PART VI LINE 11

BRUCE TODD DIRECTOR OF FINANCE COMPLIES THE NECESSARY INFORMATION FROM
OUR ACCOUNTING RECORDS, IN ADDITION HE RECIEVES INFOMRATION FROM THE
FOUNDAITON AND PATEINT BILLING OFFICE . THE COMPLIED INFORMATION WILL BE
SENT TO THE TAX ACCOUNTANTS HIRED TO COMPLETE OUR 990. AFTER THIS HAS
BEEN DONE, BRUCE TODD WILL REVIEW THE DATA WITH BOTH THE CFO AND CEO
BEFORE SINIGNING, WE WILL ALSO PRESENT THE COMPLETED 990 TO OUR BOARD OF
DIRECTORS BEFORE FILING THE RETURN.

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

Name of the organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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ATTACHMENT 1 (CONT'D)

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.

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.

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.

ATTACHMENT 2990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
WAVE LENGTH INFORMATION PO BOX 739 BERLIN, MD 21811	IT SERVICES	1,517,291.
GENESIS REHAB SERVICES PO BOX 7247 PHILADELPHIA, PA 21811	PT OT SPEECH	373,202.
PRESIDENTIAL SERVICES 1320 FENWICK LANE SILVER SPRING, MD 20910	OFFICE CLEANING	166,424.
PROVIDE A NURSE 37 WATERTOWN RD BERLIN, MD 21811	CONTRACT NURSING	143,993.

Name of the organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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ATTACHMENT 2 (CONT'D)990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
RSI MEDICAL STAFFING PO BOX 202056 DALLAS, TX 75320	RADIOLOGY SERVICES	110,917.
TOTAL COMPENSATION		<u>2,311,827.</u>

ATTACHMENT 3FORM 990, PART VIII - INVESTMENT INCOME

<u>DESCRIPTION</u>	(A) <u>TOTAL REVENUE</u>	(B) <u>RELATED OR EXEMPT REVENUE</u>	(C) <u>UNRELATED BUSINESS REV.</u>	(D) <u>EXCLUDED REVENUE</u>
INTEREST INCOME	221,815.			221,815.
TOTALS	<u>221,815.</u>			<u>221,815.</u>

ATTACHMENT 4FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

<u>DESCRIPTION</u>	<u>AMOUNT</u>
GOLF TOURNAMENT	73,450.
PENGUIN SWIM	87,139.
HOSPITAL ANNIVERSARY CELEBRATE	65,135.
TOTAL	<u>225,724.</u>

ATTACHMENT 5

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

ATTACHMENT 5 (CONT'D)FORM 990, PART VIII - FUNDRAISING EVENTS

<u>DESCRIPTION</u>	<u>GROSS INCOME</u>	<u>DIRECT EXPENSES</u>	<u>NET INCOME</u>
GOLF TOURNAMENT	16,700.	21,411.	-4,711.
PENGUIN SWIM		13,384.	-13,384.
HOSPITAL ANNIVERSARY CELEBRATE	5,300.	10,668.	-5,368.
TOTALS	<u>22,000.</u>	<u>45,463.</u>	<u>-23,463.</u>

ATTACHMENT 6FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>
PREPAID EXPENSES	1,675,656.
TOTALS	<u>1,675,656.</u>

ATTACHMENT 7FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>COST OR FMV</u>
EQUITY SECURITIES	3,886,477.	FMV
TREASURY SECURITIES	24,148.	FMV
TOTALS	<u>3,910,625.</u>	

ATTACHMENT 8

Name of the organization ATLANTIC GENERAL HOSPITAL	Employer identification number 52-1656507
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ATTACHMENT 8 (CONT'D)

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	256,239.
ENDING BALANCE DUE	<u>221,853.</u>

LENDER: WILMINGTON TRUST
 ORIGINAL AMOUNT: 2,200,000.
 INTEREST RATE: 5.190000
 DATE OF NOTE: 06/30/2010
 MATURITY DATE: 06/30/2020
 REPAYMENT TERMS: MONTHLY

BEGINNING BALANCE DUE	0.
ENDING BALANCE DUE	<u>2,200,000.</u>

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

ATTACHMENT 8 (CONT'D)

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

BEGINNING BALANCE DUE 1,203,667.
ENDING BALANCE DUE 889,667.

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

BEGINNING BALANCE DUE 4,930,640.
ENDING BALANCE DUE 4,723,760.

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

ATTACHMENT 8 (CONT'D)

LENDER: GMAC
 ORIGINAL AMOUNT: 32,325.
 INTEREST RATE: 0.000000
 MATURITY DATE: 11/13/2012
 REPAYMENT TERMS: 36 MONTHLY INSTALLMENTS AND ONE FINAL PYMT

BEGINNING BALANCE DUE	0.
ENDING BALANCE DUE	<u>25,142.</u>

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	<u>6,390,546.</u>
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TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	<u>8,060,422.</u>
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**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36 or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

ATLANTIC GENERAL HOSPITAL

Employer identification number

52-1656507

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

(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 (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(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) 2009

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

(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, unrelated, excluded from tax under sections 512-514)	(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 (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(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 (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

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

	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 or (iv) rent from a controlled entity	1 a	
b Gift, grant, or capital contribution to other organization(s)	1 b	
c Gift, grant, or capital contribution from other organization(s)	1 c	
d Loans or loan guarantees to or for other organization(s)	1 d	
e Loans or loan guarantees by other organization(s)	1 e	
f Sale of assets to other organization(s)	1 f	
g Purchase of assets from other organization(s)	1 g	
h Exchange of assets	1 h	
i Lease of facilities, equipment, or other assets to other organization(s)	1 i	
j Lease of facilities, equipment, or other assets from other organization(s)	1 j	
k Performance of services or membership or fundraising solicitations for other organization(s)	1 k	
l Performance of services or membership or fundraising solicitations by other organization(s)	1 l	
m Sharing of facilities, equipment, mailing lists, or other assets	1 m	
n Sharing of paid employees	1 n	
o Reimbursement paid to other organization for expenses	1 o	
p Reimbursement paid by other organization for expenses	1 p	
q Other transfer of cash or property to other organization(s)	1 q	
r Other transfer of cash or property from other organization(s)	1 r	

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	(b) Transaction type (a-r)	(c) Amount involved
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		

RENT AND ROYALTY SUMMARY

<u>PROPERTY</u>	<u>TOTAL INCOME</u>	<u>DEPLETION/ DEPRECIATION</u>	<u>OTHER EXPENSES</u>	<u>ALLOWABLE NET INCOME</u>
RENTAL PROPERTY	46,308.			46,308.
TOTALS	<u>46,308.</u>			<u>46,308.</u>

FORM 990, PART VIII - GROSS SALES AND COST OF GOODS SOLDATTACHMENT 9

<u>DESCRIPTION</u>	<u>GROSS SALES</u>	<u>BEGINNING INVENTORY</u>	<u>PURCHASES</u>	<u>SALARIES AND WAGES</u>	<u>OTHER COSTS</u>	MINUS:	<u>COST OF GOODS SOLD</u>
						<u>ENDING INVENTORY</u>	
GIFT SHOP	36,978.		20,122.				20,122.
THRIFT SHOP	125,719.		39,687.				39,687.
TOTALS	<u>162,697.</u>		<u>59,809.</u>				<u>59,809.</u>

Capital Gains and Losses

2009

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1041, Form 5227, or Form 990-T. See the instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).**

Name of estate or trust
ATLANTIC GENERAL HOSPITAL

Employer identification number
52-1656507

Note: Form 5227 filers need to complete *only* Parts I and II.

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

(a) Description of property <small>(Example: 100 shares 7% preferred of "Z" Co.)</small>	(b) Date acquired <small>(mo., day, yr.)</small>	(c) Date sold <small>(mo., day, yr.)</small>	(d) Sales price	(e) Cost or other basis <small>(see page 4 of the instructions)</small>	(f) Gain or (loss) for the entire year <small>Subtract (e) from (d)</small>
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2008 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶	5	

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

(a) Description of property <small>(Example: 100 shares 7% preferred of "Z" Co.)</small>	(b) Date acquired <small>(mo., day, yr.)</small>	(c) Date sold <small>(mo., day, yr.)</small>	(d) Sales price	(e) Cost or other basis <small>(see page 4 of the instructions)</small>	(f) Gain or (loss) for the entire year <small>Subtract (e) from (d)</small>
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	359.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2008 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶	12	359.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2009

Part III Summary of Parts I and II		(1) Beneficiaries' (see page 5)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part.				
13	Net short-term gain or (loss)	13		
14	Net long-term gain or (loss):			
a	Total for year	14a		359.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15		359.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and **do not** complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation		16
16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of: a The loss on line 15, column (3) or b \$3,000	()

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the worksheet on page 8 of the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17		
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18		
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19		
20	Add lines 18 and 19	20		
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶	21		
22	Subtract line 21 from line 20. If zero or less, enter -0-	22		
23	Subtract line 22 from line 17. If zero or less, enter -0-	23		
24	Enter the smaller of the amount on line 17 or \$2,300	24		
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26; go to line 27 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23	25		
26	Subtract line 25 from line 24	26		
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30; go to line 31. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27		
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28		
29	Subtract line 28 from line 27	29		
30	Multiply line 29 by 15% (.15)	30		
31	Figure the tax on the amount on line 23. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31		
32	Add lines 30 and 31	32		
33	Figure the tax on the amount on line 17. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33		
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34		

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

Department of the Treasury
 Internal Revenue Service (99)

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

Attachment
 Sequence No. **27**

Name(s) shown on return ATLANTIC GENERAL HOSPITAL	Identifying number 52-1656507
--	--------------------------------------

1 Enter the gross proceeds from sales or exchanges reported to you for 2009 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)	1
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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 43	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
<p>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.</p> <p>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.</p>	
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):	
ATTACHMENT 10	-2,553.

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 35 and 42a	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 -2,553.
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:	
<p>a If the loss on line 11 includes a loss from Form 4684, line 39, 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</p>	18a
<p>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.</p>	18b

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
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, mining exploration costs, and depletion (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 37. 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 2009 or other tax year beginning 07/01, 2009, and ending 06/30, 2010. See separate instructions.

2009

Open to Public Inspection for 501(c)(3) Organizations Only

A Check box if address changed

Name of organization (Check box if name changed and see instructions.)
ATLANTIC GENERAL HOSPITAL
 Number, street, and room or suite no. If a P.O. box, see page 8 of instructions.
9733 HEALTHWAY DRIVE
 City or town, state, and ZIP code
BERLIN, MD 21811

D Employer identification number
 (Employees' trust, see instructions for Block D on page 9.)
52-1656507

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

Print or Type

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

C Book value of all assets at end of year
65,661,095.

F Group exemption number (See instructions for Block F on page 9.)
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 **CHERYL NOTTINGHAM** Telephone number **410-641-9095**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	37,943.			
b Less returns and allowances		1 c 37,943.		
2 Cost of goods sold (Schedule A, line 7)				
3 Gross profit. Subtract line 2 from line 1c		37,943.		37,943.
4 a Capital gain net income (attach Schedule D)				
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)				
c Capital loss deduction for trusts				
5 Income (loss) from partnerships and S corporations (attach statement)				
6 Rent income (Schedule C)				
7 Unrelated debt-financed income (Schedule E)				
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)				
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)				
10 Exploited exempt activity income (Schedule I)				
11 Advertising income (Schedule J)				
12 Other income (See page 10 of the instructions; attach schedule.)				
13 Total. Combine lines 3 through 12		37,943.		37,943.

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	59,700.
16 Repairs and maintenance		16	
17 Bad debts		17	
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)	1,655.	21	
22 Less depreciation claimed on Schedule A and elsewhere on return		22a	
23 Depletion		22b	1,655.
24 Contributions to deferred compensation plans		23	
25 Employee benefit programs		24	
26 Excess exempt expenses (Schedule I)		25	11,500.
27 Excess readership costs (Schedule J)		26	
28 Other deductions (attach schedule)	ATTACHMENT 1	27	
29 Total deductions. Add lines 14 through 28		28	36,213.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		29	109,068.
31 Net operating loss deduction (limited to the amount on line 30)		30	-71,125.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		31	
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)		32	-71,125.
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.		33	1,000.
		34	-71,125.

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

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a
b Other credits (see page 16 of the instructions) 40b
c General business credit. Attach 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
44a Payments: A 2008 overpayment credited to 2009 44a
b 2009 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 0.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 0.
49 Enter the amount of line 48 you want: Credited to 2010 estimated tax [] Refunded [] 49 0.

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 17)

1 At any time during the 2009 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 [] Yes [X] No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?
If YES, see page 5 of the instructions for other forms the organization may have to file. [] Yes [X] No
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
2 Purchases 2
3 Cost of labor 3
4a Additional section 263A costs (attach schedule) 4a
b Other costs (attach schedule) 4b
5 Total. Add lines 1 through 4b 5
6 Inventory at end of year 6
7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. 7
8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? [] Yes [X] No

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)? [X] Yes [] No

Paid Preparer's Use Only Preparer's signature [] Date 05/16/2011 Check if self-employed [] Preparer's SSN or PTIN P01074058
Firm's name (or yours if self-employed), address, and ZIP code COHEN, RUTHERFORD + KNIGHT, PC 6903 ROCKLEDGE DRIVE, SUITE 500 BETHESDA, MD 20817-1800 EIN 52-1202280 Phone no. 301-828-1008

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

(see instructions on page 18)

1. Description of property

Table with 1 column: (1) (2) (3) (4)

2. Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, 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 from or allocable to debt-financed property, 3. Deductions directly connected with or allocable to debt-financed property, 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 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 that is included in the controlling organization's gross income, 6. Deductions directly connected with income in column 5

Nonexempt Controlled Organizations

Table with 5 columns: 7. Taxable Income, 8. Net unrelated income, 9. Total of specified payments made, 10. Part of column 9 that is included in the controlling organization's gross income, 11. Deductions directly connected with income in column 10

Totals

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 20)

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 21)

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 ▶			

ATTACHMENT 1FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

LEASE RENTALS	5,947.
OTHER	1,733.
PURCHASED SERVICES	19,542.
SUPPLIES	1,436.
UTILITIES	2,920.
REPAIRS AND MAINT	4,635.
PART II - LINE 28 - OTHER DEDUCTIONS	<u>36,213.</u>