

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury  
Internal Revenue Service

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

**A For the 2008 calendar year, or tax year beginning** , 2008, and ending , 20

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <u>HARFORD MEMORIAL HOSPITAL, INC.</u> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>501 SOUTH UNION AVENUE</u> City or town, state or country, and ZIP + 4 <u>HAVRE DE GRACE, MD 21078</u>	<b>D</b> Employer identification number <u>52-0591484</u>
		<b>E</b> Telephone number <u>(410) 877-3700</u>
		<b>G</b> Gross receipts \$ <u>108,805,827.</u>
<b>F</b> Name and address of principal officer: <u>LYLE E SHELDON</u> <u>520 UPPER CHESAPEAKE DR., STE. 405 BEL AIR, MD 21014</u>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(03) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(c)</b> Group exemption number ▶
<b>J</b> Website: ▶ <u>WWW.UCHS.ORG</u>		
<b>K</b> Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	<b>L</b> Year of formation: <u>1911</u>	<b>M</b> State of legal domicile: <u>MD</u>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>ACUTE HOSPITAL CARE</u>
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) <b>3</b> <u>14</u>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) <b>4</b> <u>11</u>
	<b>5</b> Total number of employees (Part V, line 2a) <b>5</b> <u>998</u>
	<b>6</b> Total number of volunteers (estimate if necessary) <b>6</b> _____
	<b>7a</b> Total gross unrelated business revenue from Part VIII, line 12, column (C) <b>7a</b> _____
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 <b>7b</b> <u>NONE</u>	
<b>Revenue</b>	<b>8</b> Contribution and grants (Part VIII, line 1h) <u>396,000.</u> <b>Prior Year</b> <u>3,512,939.</u> <b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) <u>74,772,938.</u> <u>90,412,519.</u>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) <u>3,673,502.</u> <u>-1,893,011.</u>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) <u>-297,561.</u> <u>-954,722.</u>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) <u>78,544,879.</u> <u>91,077,725.</u>
	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) <u>3,588.</u> <u>966.</u>
<b>Expenses</b>	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) <u>NONE</u>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) <u>36,001,959.</u> <u>42,059,157.</u>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) <u>NONE</u>
	<b>b</b> Total fundraising expenses, Part IX, column (D), line 25) ▶ _____
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) <u>42,113,883.</u> <u>48,524,156.</u>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) <u>78,119,430.</u> <u>90,584,279.</u>
<b>Net Assets or Fund Balances</b>	<b>19</b> Revenue less expenses. Subtract line 18 from line 12. <u>425,449.</u> <u>493,446.</u>
	<b>20</b> Total assets (Part X, line 16) <u>96,330,834.</u> <b>Beginning of Year</b> <u>84,601,506.</u> <b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26) <u>73,849,419.</u> <u>81,065,985.</u>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20. <u>22,481,415.</u> <u>3,535,521.</u>

**Part II Signature Block**

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

**Sign Here**  
 ▶ Signature of officer \_\_\_\_\_ Date \_\_\_\_\_  
 ▶ Type or print name and title \_\_\_\_\_

<b>Paid Preparer's Use Only</b>	Preparer's signature ▶ _____	Date _____	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) _____
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ <u>WTAS LLC</u> <u>335 COMMERCE DRIVE - SUITE 201 FORT WASHINGTON, PA 19034</u>	EIN ▶ <u>33-1197384</u>	Phone no. ▶ <u>215-654-1600</u>	

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

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

**Part III Statement of Program Service Accomplishments** (see instructions)

1 Briefly describe the organization's mission:

ACUTE HOSPITAL CARE

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 \$ 61,883,515. including grants of \$ 965. ) (Revenue \$ 90,412,519. )  
SEE STATEMENT 1

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 ► \$ 61,883,515. (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

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

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
<b>28</b>	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b>	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		X
<b>b</b>	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		X
<b>c</b>	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		X
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .		X
<b>30</b>	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
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .		X
<b>32</b>	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
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .		X
<b>34</b>	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	
<b>35</b>	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
<b>36</b>	<b>Section 501(c)(3) organizations.</b> 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
<b>37</b>	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, description, and Yes/No response. Includes questions 1a through 12a regarding Form 1096, Form W-2G, Form W-3, and various tax compliance requirements.

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

Section A. Governing Body and Management

Table with 11 rows of questions regarding governing body and management. Columns include question text, a sub-column for '1a' or '1b', and 'Yes'/'No' columns. Example: 1a Enter the number of voting members of the governing body. 1b Enter the number of voting members that are independent.

Section B. Policies

Table with 12 rows of questions regarding organizational policies. Columns include question text and 'Yes'/'No' columns. Example: 12a Does the organization have a written conflict of interest policy? 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

Section C. Disclosure

Table with 4 rows of disclosure questions. Row 17 asks for states where Form 990 is required. Row 18 asks for public inspection methods. Row 19 asks for availability of governing documents. Row 20 asks for organization name and address.

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-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			
SEE SCHEDULE J-2										

**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			
<b>1b Total</b> . . . . .							967,915.	1,969,643.	450,793.	
<b>2</b> Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ►	27									

	Yes	No
<b>3</b> 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
<b>4</b> 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	
<b>5</b> 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
SEE STATEMENT 5		
<b>2</b> Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ►	12	



**Part VIII Statement of Revenue**

52-0591484

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b>	Membership dues . . . . .	<b>1b</b>				
	<b>c</b>	Fundraising events . . . . .	<b>1c</b>				
	<b>d</b>	Related organizations . . . . .	<b>1d</b>				
	<b>e</b>	Government grants (contributions) . . . . .	<b>1e</b>				
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above . . . . .	<b>1f</b>	3,512,939.			
	<b>g</b>	Noncash contributions included in lines 1a-1f: \$ . . . . .					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . .		3,512,939.			
<b>Program Service Revenue</b>				<b>Business Code</b>			
	<b>2a</b>	NET PATIENT SERVICE REVENUE . . . . .	621400	90,412,519.	90,412,519.		
	<b>b</b>						
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
	<b>f</b>	All other program service revenue . . . . .					
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . .		90,412,519.				
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . .		1,213,042.			1,213,042.
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . . .		NONE			
	<b>5</b>	Royalties . . . . .		NONE			
			(i) Real (ii) Personal				
	<b>6a</b>	Gross Rents . . . . .	142,308.				
	<b>b</b>	Less: rental expenses . . . . .	566,176.				
	<b>c</b>	Rental income or (loss) . . . . .	-423,868.				
	<b>d</b>	Net rental income or (loss) . . . . .		-423,867.			-423,867.
			(i) Securities (ii) Other				
	<b>7a</b>	Gross amount from sales of assets other than inventory . . . . .	14,055,873.				
	<b>b</b>	Less: cost or other basis and sales expenses . . . . .	17,161,926.				
	<b>c</b>	Gain or (loss) . . . . .	-3,106,053.				
	<b>d</b>	Net gain or (loss) . . . . .		-3,106,053.			
	<b>8a</b>	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18. . . . .	<b>a</b>				
	<b>b</b>	Less: direct expenses . . . . .	<b>b</b>				
<b>c</b>	Net income or (loss) from fundraising events . . . . .			NONE			
<b>9a</b>	Gross income from gaming activities. See Part IV, line 19. . . . .	<b>a</b>					
<b>b</b>	Less: direct expenses . . . . .	<b>b</b>					
<b>c</b>	Net income or (loss) from gaming activities . . . . .			NONE			
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
<b>b</b>	Less: cost of goods sold . . . . .	<b>b</b>					
<b>c</b>	Net income or (loss) from sales of inventory . . . . .			NONE			
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
<b>11a</b>	CAFETERIA SALES/MISC . . . . .	900099	530,050.			530,050.	
<b>b</b>	LOSS ON EARLY RETIREMENT OF DEBT . . . . .	523000	-1,060,905.	-1,060,905.			
<b>c</b>							
<b>d</b>	All other revenue . . . . .						
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . .		-530,855.				
<b>12</b>	<b>Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . .		91,077,725.	89,351,614.		1,319,225.	

**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 . . .	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 . . . . .	966.	966.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 . . . . .	NONE			
4 Benefits paid to or for members . . . . .	NONE			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	573,225.		573,225.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages . . . . .	34,130,658.	25,303,215.	8,827,443.	
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	575,727.	419,773.	155,954.	
9 Other employee benefits . . . . .	4,189,382.	3,054,369.	1,135,013.	
10 Payroll taxes . . . . .	2,590,165.	1,888,535.	701,630.	
11 Fees for services (non-employees):				
a Management . . . . .	NONE			
b Legal . . . . .	NONE			
c Accounting . . . . .	323,922.		323,922.	
d Lobbying . . . . .	NONE			
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees . . . . .	NONE			
g Other . . . . .	1,648,503.	1,641,503.	7,000.	
12 Advertising and promotion . . . . .	NONE			
13 Office expenses . . . . .	11,878,735.	11,197,885.	680,850.	
14 Information technology . . . . .	NONE			
15 Royalties . . . . .	NONE			
16 Occupancy . . . . .	1,580,159.	41,603.	1,538,556.	
17 Travel . . . . .	62,587.	11,322.	51,265.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings . . . .	125,510.	28,126.	97,384.	
20 Interest . . . . .	1,425,767.	1,038,765.	387,002.	
21 Payments to affiliates . . . . .	NONE			
22 Depreciation, depletion, and amortization . . . .	2,721,539.	1,969,011.	752,528.	
23 Insurance . . . . .	988,496.		988,496.	
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 PROVISION FOR BAD DEBT -----	10,079,914.	10,079,914.		
b EQUIPMENT RENTAL -----	3,733,747.	974,590.	2,759,157.	
c CORPORATE FEES -----	3,579,079.		3,579,079.	
d PURCHASED SERVICES -----	3,312,967.	1,563,907.	1,749,060.	
e TEMPORARY STAFFING -----	2,019,581.	1,899,977.	119,604.	
f All other expenses -----	5,043,650.	770,054.	4,273,596.	
25 Total functional expenses. Add lines 1 through 24f	90,584,279.	61,883,515.	28,700,764.	
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	
<b>Assets</b>	1	Cash - non-interest-bearing . . . . .	1,823,242.	1	7,358,307.
	2	Savings and temporary cash investments . . . . .		2	
	3	Pledges and grants receivable, net . . . . .		3	
	4	Accounts receivable, net . . . . .	12,129,258.	4	11,375,170.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L . . . . .		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .		6	
	7	Notes and loans receivable, net . . . . .		7	
	8	Inventories for sales or use . . . . .	1,726,183.	8	NONE
	9	Prepaid expenses and deferred charges . . . . .	567,446.	9	2,995,614.
	10a	Land, buildings, and equipment: cost basis . . . . .	10a 90,076,789.		
	b	Less: accumulated depreciation. Complete Part VI of Schedule D. . . . .	10b 59,305,611.		
	11	Investments - publicly traded securities . . . . .	20,016,638.	10c	30,771,178.
	12	Investments - other securities. See Part IV, line 11 . . . . .	47,359,722.	11	29,459,397.
	13	Investments - program-related. See Part IV, line 11 . . . . .		12	
	14	Intangible assets . . . . .		13	
	15	Other assets. See Part IV, line 11 . . . . .	12,708,345.	14	
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	96,330,834.	15	2,641,840.	
<b>Liabilities</b>	17	Accounts payable and accrued expenses . . . . .	14,526,355.	16	84,601,506.
	18	Grants payable . . . . .		17	24,857,776.
	19	Deferred revenue . . . . .		18	
	20	Tax-exempt bond liabilities . . . . .	25,840,860.	19	
	21	Escrow account liability. Complete Part IV of Schedule D . . . . .		20	28,597,321.
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		21	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .		22	
	24	Unsecured notes and loans payable . . . . .		23	
	25	Other liabilities. Complete Part X of Schedule D . . . . .	33,482,204.	24	
	26	<b>Total liabilities.</b> Add lines 17 through 25. . . . .	73,849,419.	25	27,610,888.
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			26	81,065,985.
	27	Unrestricted net assets . . . . .	22,481,415.	27	3,535,521.
	28	Temporarily restricted net assets . . . . .		28	
	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	<b>Total net assets or fund balances</b> . . . . .	22,481,415.	33	3,535,521.
	34	<b>Total liabilities and net assets/fund balances.</b> . . . . .	96,330,834.	34	84,601,506.

**Part XI Financial Statements and Reporting**

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

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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

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

<b>Name of the organization</b>	<b>Employer identification number</b>
HARFORD MEMORIAL HOSPITAL, INC.	52-0591484

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

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

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I      b  Type II      c  Type III - Functionally Integrated      d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11g(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? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) A family member of a person described in (i) above? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) A 35% controlled entity of a person described in (i) or (ii) above? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

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

Section A. Public Support

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

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (See instructions.); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Description, Percentage. Rows include: 14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f; 16a 33 1/3% support test - 2008; b 33 1/3% support test - 2007; 17a 10%-facts-and-circumstances test - 2008; b 10%-facts-and-circumstances test - 2007; 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) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
<b>2</b> 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 . . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>6 Total.</b> Add lines 1-5 . . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 . . . . .						
<b>c</b> Add lines 7a and 7b. . . . .						
<b>8 Public support</b> (Subtract line 7c from line 6.) . . . . .						

**Section B. Total Support**

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

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

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)). . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g . . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)) . . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from 2007 Schedule A, Part IV-A, line 27h . . . . .	<b>18</b>	%

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

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

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

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

Dashed lines for supplemental information.

**Schedule of Contributors**

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

**2008**

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
---	--

**Organization type (check one):**

**Filers of:**

**Section:**

Form 990 or 990-EZ

501(c)(03 ) (enter number) organization

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

**General Rule**

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

**Special Rules**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3 % support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

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

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

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



Name of organization <b>HARFORD MEMORIAL HOSPITAL, INC.</b>	Employer identification number <b>52-0591484</b>
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**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<u>UPPER CHESAPEAKE HEALTH FOUNDATION, INC.</u>  <u>520 UPPER CHESAPEAKE DRIVE, SUITE 405</u>  <u>BEL AIR, MD 21014</u>	\$ <u>3,512,939.</u>	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.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Political Campaign and Lobbying Activities
For Organizations Exempt From Income Tax Under section 501(c) and section 527

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

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

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

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

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

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization: HARFORD MEMORIAL HOSPITAL, INC.
Employer identification number: 52-0591484

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

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

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

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

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities \$
3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1 a	Total lobbying expenditures to influence public opinion (grass roots lobbying) . . . . .														
b	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .														
c	Total lobbying expenditures (add lines 1a and 1b) . . . . .														
d	Other exempt purpose expenditures . . . . .														
e	Total exempt purpose expenditures (add lines 1c and 1d) . . . . .														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
g	Grassroots nontaxable amount (enter 25% of line 1f) . . . . .														
h	Subtract line 1g from line 1a. Enter -0- if line g is more than line a . . . . .														
i	Subtract line 1f from line 1c. Enter -0- if line f is more than line c . . . . .														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No												

**4-Year Averaging Period Under Section 501(h)**  
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2 a	Lobbying non-taxable amount				
b	Lobbying ceiling amount (150% line 2a, column(e))				
c	Total lobbying expenditures				
d	Grassroots non-taxable amount				
e	Grassroots ceiling amount (150% of line 2d, column (e))				
f	Grassroots lobbying expenditures				

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

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?		X	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
<b>c</b> Media advertisements?		X	
<b>d</b> Mailings to members, legislators, or the public?		X	
<b>e</b> Publications, or published or broadcast statements?		X	
<b>f</b> Grants to other organizations for lobbying purposes?		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
<b>i</b> Other activities? If "Yes," describe in Part IV	X		9,286.
<b>j</b> Total lines 1c through 1i			9,286.
<b>2 a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

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

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

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

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

**Part IV Supplemental Information**

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

LOBBYING ACTIVITIES

SCHEDULE, C, PART II-B, LINE 1I

LOBBYING EXPENSES IN THE AMOUNT OF \$9,286 FOR 12/31/08 REPRESENT A

PORTION OF THE DUES PAID TO AMERICAN HOSPITAL ASSOCIATION AND MARYLAND

HOSPITAL ASSOCIATION. THESE ASSOCIATIONS ALLOCATE A PORTION OF MEMBER

DUES TO LOBBYING ACTIVITY.

**Part IV** Supplemental Information *(continued)*

[Lined area for supplemental information]

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Name of the organization

Employer identification number

HARFORD MEMORIAL HOSPITAL, INC.

52-0591484

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: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?

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

Table with 2 columns: Description, Held at the End of the Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?, 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?, 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

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

Schedule D (Form 990) 2008

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

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

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

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

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

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

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

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

	Amount
c Beginning balance . . . . .	<b>1c</b>
d Additions during the year . . . . .	<b>1d</b>
e Distributions during the year . . . . .	<b>1e</b>
f Ending balance . . . . .	<b>1f</b>

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

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

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

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

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

- a Board designated or quasi-endowment ► \_\_\_\_\_ %
- b Permanent endowment ► \_\_\_\_\_ %
- c Term endowment ► \_\_\_\_\_ %

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

- (i) unrelated organizations . . . . .
- (ii) related organizations . . . . .

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

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.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land . . . . .	NONE	9,269,463.		9,269,463.
b Buildings . . . . .	NONE	26,448,068.	12,891,817.	13,556,251.
c Leasehold improvements . . . . .	NONE	130,951.	6,585.	124,366.
d Equipment . . . . .	NONE	53,205,570.	45,630,301.	7,575,270.
e Other . . . . .	NONE	1,022,736.	776,908.	245,828.
<b>Total.</b> Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				30,771,178.

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

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

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

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

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

(a) Description	(b) Book value
<b>Total.</b> (Column (b) should equal Form 990, Part X, col. (B) line 15.) . . . . . ▶	

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

(a) Description of liability	(b) Amount
Federal income taxes	
ADVANCES FROM THIRD PARTIES	1,576,504.
DUE TO AFFILIATES	24,644,586.
LIABILITY FOR ASBESTOS REMOVAL	1,389,798.
<b>Total.</b> (Column (b) should equal Form 990, Part X, col. (B) line 25.) ▶	27,610,888.

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



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

Table with 10 rows for reconciliation of net assets. Columns include line numbers (1-10) and descriptions such as 'Total revenue', 'Total expenses', 'Excess or (deficit) for the year', 'Net unrealized gains', 'Donated services', 'Investment expenses', 'Prior period adjustments', 'Other', 'Total adjustments', and 'Excess or (deficit) for the year per financial statements'.

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

Table with 5 main rows for revenue reconciliation. Sub-rows include adjustments like 'Amounts included on line 1 but not on Form 990' and 'Amounts included on Form 990 but not on line 1'. Sub-rows are labeled 2a-2e and 4a-4c.

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

Table with 5 main rows for expense reconciliation. Sub-rows include adjustments like 'Amounts included on line 1 but not on Form 990' and 'Amounts included on Form 990 but not on line 1'. Sub-rows are labeled 2a-2e and 4a-4c.

**Part XIV Supplemental Information**

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

Series of horizontal dashed lines provided for entering supplemental information.

**Part XIV** Supplemental Information *(continued)*

Area with horizontal dashed lines for supplemental information.

**SCHEDULE H**  
(Form 990)

**Hospitals**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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

Name of the organization

Employer identification number

HARFORD MEMORIAL HOSPITAL, INC.

52-0591484

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

	Yes	No
<b>1 a</b> Does the organization have a charity care policy? If "No," skip to question 6a . . . . .		
<b>b</b> If "Yes," is it a written policy? . . . . .		
<b>2</b> 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"/> Generally tailored to individual hospitals		
<input type="checkbox"/> Applied uniformly to most hospitals		
<b>3</b> Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
<b>a</b> Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: . . . . .		
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
<b>b</b> Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: . . . . .		
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
<b>c</b> 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.		
<b>4</b> Does the organization's policy provide free or discounted care to the "medically indigent"? . . . . .		
<b>5 a</b> Does the organization budget amounts for free or discounted care provided under its charity care policy? . . . . .		
<b>b</b> If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .		
<b>c</b> If "Yes" to 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .		
<b>6 a</b> Does the organization prepare an annual community benefit report? . . . . .		
<b>b</b> If "Yes," does the organization make it available to the public? . . . . .		

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

**7 Charity Care and Certain Other Community Benefits at Cost**

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

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

Schedule H (Form 990) 2008

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

Table with 6 columns: (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. Rows include Physical improvements and housing, Economic development, Community support, Environmental improvements, Leadership development and training for community members, Coalition building, Community health improvement advocacy, Workforce development, Other, and Total.

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

Section A. Bad Debt Expense

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

Yes/No columns for questions 1, 2, 3, 5, 6, 7, 9a, and 9b.

Section B. Medicare

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

Section C. Collection Practices

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

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

Table with 5 columns: (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 %. Rows 1 through 14.



**Part VI Supplemental Information (Optional for 2008)**

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 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.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

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**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

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

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Name of the organization <b>HARFORD MEMORIAL HOSPITAL, INC.</b>	Employer identification number <b>52-0591484</b>
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**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<br><input type="checkbox"/> Travel for companions<br><input type="checkbox"/> Tax indemnification and gross-up payments<br><input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Housing allowance or residence for personal use<br><input type="checkbox"/> Payments for business use of personal residence<br><input checked="" type="checkbox"/> Health or social club dues or initiation fees<br><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |
|---|---|

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

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

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

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

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

- a** Receive a severance payment or change of control payment? . . . . .
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . . .
- c** Participate in, or receive payment from, an equity-based compensation arrangement? . . . . .
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

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

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

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- If "Yes" to line 5a or 5b, describe in Part III.

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

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- If "Yes" to line 6a or 6b, describe in Part III.

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

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

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

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

Schedule J (Form 990) 2008

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
KENNETH KOZEL	(i) NONE (ii) 261,416 (iii) NONE	NONE 91,122 NONE	NONE NONE NONE	NONE 28,331 11,184	NONE 15,170 10,132	NONE 396,039 186,692	NONE NONE NONE
RICHARD C CASTEEL	(i) 147,902 (ii) NONE (iii) 163,052	17,474 NONE 29,834	NONE NONE NONE	NONE 7,716 NONE	NONE 15,025 NONE	NONE 215,627 NONE	NONE NONE NONE
EUGENE A CURROTTO	(i) NONE (ii) NONE (iii) 535,000	NONE 224,007 NONE	NONE 8,776 NONE	NONE 118,283 32,003	NONE 32,891 17,453	NONE 918,957 330,598	NONE NONE NONE
LYLE E SHELDON	(i) NONE (ii) 222,560 (iii) NONE	NONE 58,582 NONE	NONE NONE NONE	NONE 19,563 18,895	NONE 14,332 1,605	NONE 238,426 235,465	NONE NONE NONE
TONI SHIVERY	(i) 169,354 (ii) 171,002 (iii) NONE	35,177 43,963 NONE	NONE NONE NONE	NONE 37,554 6,060	NONE 19,152 4,976	NONE 420,355 162,512	NONE NONE NONE
JOYCE FOX	(i) NONE (ii) 272,210 (iii) 112,196	NONE 91,439 39,280	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE
JOSEPH E HOFFMAN III	(i) 272,210 (ii) 112,196 (iii) NONE	91,439 39,280 NONE	NONE NONE NONE	NONE 37,554 6,060	NONE 19,152 4,976	NONE 420,355 162,512	NONE NONE NONE
KIMBERLY SHERIN	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE



**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.

SCHEDULE J. COMPENSATION INFORMATION

PART I. QUESTION 4B

UPPER CHESAPEAKE HEALTH SYSTEM, INC., A RELATED ORGANIZATION, MADE SPLIT

DOLLAR LIFE INSURANCE PLAN CONTRIBUTIONS TO THE FOLLOWING MEMBERS OF

SENIOR LEADERSHIP WHO ARE LISTED ON THIS FILING ORGANIZATION'S FORM 990.

PART VI. SECTION A. LINE 1A:

LYLE E SHELDON \$102,879

JOSEPH E HOFFMAN III \$26,562

DEAN KASTER \$22,041

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

**Continuation Sheet for Form 990**

OMB No. 1545-0047

**2008**

Department of the Treasury  
Internal Revenue Service

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

**Open to Public  
Inspection**

Name of the Organization

HARFORD MEMORIAL HOSPITAL, INC.

Employer Identification number

52-0591484

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
LYLE E SHELDON PRESIDENT/CEO/DIRECTOR	5.	X		X				NONE	767,783.	151,174.
ROGER E SCHNEIDER MD CHAIRMAN/DIRECTOR	5.	X		X				NONE	NONE	NONE
H WILLIAM ACKER VICE-CHAIRMAN/DIRECTOR	5.	X		X				NONE	NONE	NONE
DIANE K FORD DIRECTOR	1.	X						NONE	NONE	NONE
ANDREW KLEIN DIRECTOR	1.	X						NONE	NONE	NONE
ANTHONY J MEOLI TREASURER/DIRECTOR	5.	X		X				NONE	NONE	NONE
RICHARD P STREETT JR VMD DIRECTOR	1.	X						NONE	NONE	NONE
ALBERT J A YOUNG DIRECTOR	1.	X						NONE	NONE	NONE
JOHN H CAIN DIRECTOR	1.	X						NONE	NONE	NONE
M SCOT KAUFMAN SECRETARY/DIRECTOR	5.	X		X				NONE	NONE	NONE
PETER J LOPRESTI DO DIRECTOR	1.	X						NONE	NONE	NONE
ROBERT F HOOFNAGLE JR MD DIRECTOR	1.	X						NONE	NONE	NONE
ADELE A WILZACK RN MS DIRECTOR	1.	X						NONE	NONE	NONE
FAHEEM YOUNUS MD DIRECTOR	1.	X						NONE	NONE	NONE
JOSEPH E HOFFMAN III SR VP/CFO	5.			X				NONE	363,649.	56,706.
KENNETH KOZEL SR VP/COO	5.				X			NONE	352,538.	43,501.
DEAN KASTER SR VP/COR STRATEGY & BUS DVPMT	5.				X			NONE	281,142.	49,456.
TONI SHIVERY VP HUMAN RESOURCES	5.				X			NONE	204,531.	33,895.
JOYCE FOX VP PATIENT SERVICES/CNO	20.				X			214,965.	NONE	20,500.
RICHARD C CASTEEL VP - MIS	40.					X		165,376.	NONE	21,316.
EUGENE A CURROTTO VP - OPERATIONS	40.					X		192,886.	NONE	22,741.

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

Schedule J-2 (Form 990) 2008

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

Department of the Treasury  
Internal Revenue Service

# Continuation Sheet for Form 990

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

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

Name of the Organization: HARFORD MEMORIAL HOSPITAL, INC. Employer Identification number: 52-0591484

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<u>KIMBERLY SHERIN</u> <u>PHARMACIST</u>	<u>40.</u>					X	<u>151,476.</u>	<u>NONE</u>	<u>11,036.</u>	
<u>STEPHEN LOW</u> <u>DIRECTOR OF PHARMACY</u>	<u>40.</u>					X	<u>124,376.</u>	<u>NONE</u>	<u>19,909.</u>	
<u>STEVEN BOWMAN</u> <u>DIRECTOR OF FIN ACCNTNG &amp; BDGT</u>	<u>40.</u>					X	<u>118,836.</u>	<u>NONE</u>	<u>20,559.</u>	

**SCHEDULE K  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**HARFORD MEMORIAL HOSPITAL, INC.**

**Part I Bond Issues (Required for 2008)**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
A MARYLAND HEALTH & HIGHER ED FACILITIES AUTHORITY	520936091	5742172P9	08/08/2008	124,100,000.	REFI EXISTING DEBT/PURCHASE LAND		X	X	X
B MARYLAND HEALTH & HIGHER ED FACILITIES AUTHORITY	520936091	5742172P9	08/08/2008	55,325,000.	REFINANCE EXISTING DEBT ISSUE		X		X
C									
D									
E									

Employer identification number  
52-0591484

**Supplemental Information on Tax-Exempt Bonds**

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

**Part II Proceeds (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue . . . . .	X		X							
2 Gross proceeds in reserve funds . . . . .		19,856,000.		8,741,321.						
3 Proceeds in refunding or defeasance escrows . . . . .		15,982,368.		636,336.						
4 Other unspent proceeds . . . . .				8,023,664.						
5 Issuance costs from proceeds . . . . .				78,994.						
6 Working capital expenditures from proceeds . . . . .										
7 Capital expenditures from proceeds . . . . .										
8 Year of substantial completion . . . . .		3,720,000.								

9 Were the bonds issued as part of a current refunding issue?

10 Were the bonds issued as part of an advance refunding issue? . . . . .

11 Has the final allocation of proceeds been made? . . . . .

12 Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .

13 Were the bonds issued as part of a current refunding issue?

14 Were the bonds issued as part of an advance refunding issue? . . . . .

15 Has the final allocation of proceeds been made? . . . . .

16 Does the organization maintain adequate books and records to support the final allocation of proceeds? . . . . .

**Part III Private Business Use (Optional for 2008)**

1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? . . . . .

2 Are there any lease arrangements with respect to the financed property which may result in private business use?

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

OMB No. 1545-0047  
**2008**  
Open to Public Inspection

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3 a Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X						
b Are there any research agreements with respect to the financed property which may result in private business use?		X		X						
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X						
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government.		NONE%		NONE%						%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government.		NONE%		NONE%						%
6 Total of lines 4 and 5.		NONE%		NONE%						%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

**Part IV Arbitrage (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X						
2 Is the bond issue a variable rate issue?	X									
3 a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X			X						
b Name of provider	BANK OF AMERICA									
c Term of hedge	35,000									
4 a Were gross proceeds invested in a GIC?		X		X						
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?		X		X						
6 Did the bond issue qualify for an exception to rebate?		X		X						

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
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PART VI, SECTION A. GOVERNING BODY & MANAGEMENT

QUESTION 6 - EXISTENCE OF MEMBERS

THIS FILING ORGANIZATION IS A TAX-EXEMPT SUBSIDIARY OF UPPER CHESAPEAKE HEALTH SYSTEM, INC.

UPPER CHESAPEAKE HEALTH SYSTEM, INC. IS THE SOLE MEMBER OF ALL ITS TAX-EXEMPT SUBSIDIARIES.

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
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PART VI, SECTION A, GOVERNING BODY & MANAGEMENT

QUESTION 10 - ORGANIZATIONAL REVIEW OF FORM 990

THE BOARD OF UPPER CHESAPEAKE HEALTH SYSTEM, INC. ("HEALTH SYSTEM") HAS ASSIGNED THE EXECUTIVE COMMITTEE OF THE HEALTH SYSTEM'S BOARD TO REVIEW AND APPROVE ALL CONTENTS OF FORM 990 ON BEHALF OF THE BOARDS OF ALL HEALTH SYSTEM'S TAX-EXEMPT AFFILIATES. IN TURN, ONCE THE FORM 990 HAS BEEN APPROVED BY HEALTH SYSTEM'S EXECUTIVE COMMITTEE, A FINAL VERSION OF THE FORM 990 WILL BE MADE AVAILABLE TO ALL BOARD MEMBERS OF THE RESPECTIVE HEALTH SYSTEM'S TAX-EXEMPT AFFILIATES. FORMAL NOTIFICATION OF THE FINAL AND APPROVED FORM 990 FOR EACH OF THE HEALTH SYSTEM'S AFFILIATES AS WELL AS ITS AVAILABILITY WILL BE COMMUNICATED TO THE APPLICABLE BOARD MEMBERS ON OR BEFORE THE FILING OF THE FORM 990.

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
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PART VI, SECTION B, POLICIES

QUESTION 12 - CONFLICT OF INTEREST POLICY

THE ORGANIZATION'S WRITTEN CONFLICT OF INTEREST POLICY COVERS THE FOLLOWING INDIVIDUALS: DIRECTORS, PRINCIPAL OFFICERS, AND SENIOR MANAGEMENT. FURTHERMORE, THE POLICY EXTENDS TO THE FAMILY MEMBERS (PER INTERNAL REVENUE SERVICE DEFINITION) OF SUCH DIRECTORS, PRINCIPAL OFFICERS, AND SENIOR MANAGEMENT. THE BOARD OF DIRECTORS AND ANY COMMITTEE CONSIDERING A CONTRACT, TRANSACTION OR ARRANGEMENT TO WHICH A KNOWN OR POTENTIAL CONFLICT OF INTEREST RELATES, DETERMINES WHETHER A CONFLICT EXISTS. ACTUAL CONFLICTS ARE REVIEWED BY THE CHAIRMAN OF THE BOARD. AN INDIVIDUAL WITH A KNOWN OR POTENTIAL CONFLICT OF INTEREST MUST REFRAIN FROM PARTICIPATING IN, OR ACTING ON, THE DECISION ON ANY MATTER IN WHICH A CONFLICT OF INTEREST, OR EVEN THE APPEARANCE OF SUCH A CONFLICT OF INTEREST, IS PRESENT WITH RESPECT TO SUCH INDIVIDUAL AND WILL REMOVE HIMSELF OR HERSELF FROM ANY MEETING OR DELIBERATIONS ON THE MATTER.



Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
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PART VI, SECTION B, POLICIES

QUESTION 15 - PROCESS FOR DETERMINING COMPENSATION

THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS APPROVES COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER, CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, AND ALL KEY EMPLOYEES. THE EXECUTIVE COMPENSATION COMMITTEE UTILIZES BUT IS NOT LIMITED TO THE FOLLOWING RESOURCES IN EVALUATING AND ESTABLISHING REASONABLE COMPENSATION: INDEPENDENT COMPENSATION CONSULTANTS, COMPENSATION SURVEYS AND COMPENSATION STUDIES. THIS ORGANIZATION AND ITS TAX-EXEMPT AFFILIATES STRIVE TO MAINTAIN AN ARM'S LENGTH RELATIONSHIP BETWEEN ITSELF AND ITS EMPLOYEES. IT IS THE GOAL OF THE EXECUTIVE COMPENSATION COMMITTEE TO ENSURE THAT TOTAL COMPENSATION (COMPENSATION AND BENEFITS) PAID TO ITS EMPLOYEES IS FAIR AND REASONABLE. FINALLY, THE PROCESS OF SETTING AND APPROVING SUCH COMPENSATION IS PERFORMED ANNUALLY BY THE BOARD'S EXECUTIVE COMPENSATION COMMITTEE.

Name of the organization

Employer identification number

HARFORD MEMORIAL HOSPITAL, INC.

52-0591484

PART VI, SECTION C, DISCLOSURE

QUESTION 19 - DOCUMENTS AVAILABLE TO THE PUBLIC

THE ORGANIZATION WILL MAKE THE FOLLOWING DOCUMENTS AVAILABLE TO THE PUBLIC UPON REQUEST: ARTICLES OF INCORPORATION, BYLAWS, CONFLICT OF INTEREST POLICY, AND AUDITED FINANCIAL STATEMENTS ( HARFORD MEMORIAL HOSPITAL, INC. AND UPPER CHESAPEAKE MEDICAL CENTER, INC. ).

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
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PART VII, SECTION A, OFFICERS/DIRECTORS/TRUSTEES/KEY EMPLOYEES/HIGHEST COMPENSATED EMPLOYEES  
 COLUMN (B) AVERAGE HOURS PER WEEK  
 ON AVERAGE, THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, AND ALL  
 KEY EMPLOYEES WHO ARE EITHER RECEIVING COMPENSATION FROM THIS  
 ORGANIZATION OR A RELATED ORGANIZATION DEVOTE AT LEAST 40 HOURS PER WEEK  
 TO BUSINESS MATTERS FOR THIS FILING ORGANIZATION AND ITS AFFILIATES.  
 PLEASE REFER TO SCHEDULE R FOR DETAILS ON THIS FILING ORGANIZATION'S  
 AFFILIATES. MEMBERS OF THE BOARD OF DIRECTORS ARE NOT COMPENSATED.

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
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PART XI. FINANCIAL STATEMENTS AND REPORTING

QUESTION 2B - FINANCIAL STATEMENTS AUDITED BY AN INDEPENDENT ACCOUNTANT

THIS FILING ORGANIZATION DID NOT RECEIVE A SEPARATE AUDITED FINANCIAL STATEMENT FOR THE TAX YEAR ENDED DECEMBER 31, 2008. RATHER, ITS FINANCIAL INFORMATION WAS INCLUDED IN A CONSOLIDATED AUDITED FINANCIAL STATEMENT FOR HARFORD MEMORIAL HOSPITAL, INC. AND UPPER CHESAPEAKE MEDICAL CENTER, INC.

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
---	--

SCHEDULE D - RECONCILIATION OF AUDITED FINANCIAL STATEMENTS WITH RETURN  
 SCHEDULE D, PARTS XI, XII, AND XIII  
 HARFORD MEMORIAL HOSPITAL DID NOT RECEIVE A SEPARATE AUDITED FINANCIAL  
 STATEMENT FOR THE TAX YEAR ENDED DECEMBER 31, 2008. RATHER, ITS  
 FINANCIAL INFORMATION WAS INCLUDED IN A CONSOLIDATED AUDITED FINANCIAL  
 STATEMENT. THEREFORE, HARFORD MEMORIAL HOSPITAL IS NOT REQUIRED TO  
 COMPLETE SCHEDULE D, PARTS XI-XIII: RECONCILIATION OF CHANGE IN NET  
 ASSETS, REVENUE AND EXPENSES FORM 990 TO AUDITED FINANCIAL STATEMENTS.  
 HOWEVER, HARFORD MEMORIAL HOSPITAL IS VOLUNTARILY DISCLOSING SUCH  
 INFORMATION, AS IF IT RECEIVED A STANDALONE AUDITED FINANCIAL STATEMENT  
 FOR THE TAX YEAR ENDED DECEMBER 31, 2008.

PART XI RECONCILIATION OF CHANGE IN NET ASSETS

1	TOTAL REVENUE (PART VIII, COLUMN (A), LINE 12)	\$ 91,077,725
2	TOTAL EXPENSES (PART IX, COLUMN (A), LINE 25)	\$ 90,584,279
3	EXCESS/(DEFICIT) FOR THE YEAR (LINE 1 LESS LINE 2)	\$ 493,446
4	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS	\$(15,502,111)
5	DONATED SERVICES AND USE OF FACILITIES	\$
6	INVESTMENT EXPENSES	\$
7	PRIOR PERIOD ADJUSTMENTS	\$ 517
8	OTHER (DESCRIBE IN PART XIV)	\$(3,937,746)
9	TOTAL ADJUSTMENTS (NET). ADD LINES 4-8	\$(19,439,340)
10	EXCESS/(DEFICIT) PER FINAN. STMTS. (ADD LINES 3 & 9)	\$(18,945,894)

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
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PART XII RECONCILIATION OF REVENUE

1 TOTAL REVENUE PER AUDITED FINANCIAL STATEMENTS	\$ 72,331,828
2 AMOUNTS INCLUDED ON LINE 1 NOT ON PART VIII, LINE 12:	
A NET UNREALIZED GAINS ON INVESTMENTS	\$(15,502,111)
B DONATED SERVICES AND USE OF FACILITIES	\$
C RECOVERIES OF PRIOR YEAR GRANTS	\$
D OTHER (DESCRIBE IN PART XIV)	\$ (297,023)
E ADD LINES 2A THROUGH 2D	\$(15,799,134)
3 SUBTRACT LINE 2E FROM LINE 1	\$ 88,130,962
4 AMOUNTS INCLUDED ON PART VIII, LINE 12, & NOT ON LINE 1:	
A INVESTMENT EXP. NOT INCLUDED ON PART VIII, LINE 7B	\$
B OTHER (DESCRIBE IN PART XIV)	\$ 2,946,763
C ADD LINES 4A AND 4B	\$ 2,946,763
5 TOTAL REVENUE (ADD LINES 3 & 4C) (PART 1, LINE 12)	\$ 91,077,725

PART XIII RECONCILIATION OF EXPENSES

1 TOTAL EXPENSES & LOSSES PER FINANCIAL STATEMENTS	\$ 87,175,087
2 AMOUNTS INCLUDED ON LINE 1 NOT ON PART IX, LINE 25:	
A DONATED SERVICES AND USE OF FACILITIES	\$
B PRIOR YEAR ADJUSTMENTS	\$
C LOSSES REPORTED ON FORM 990, PART IX, LINE 25	\$
D OTHER (DESCRIBE IN PART XIV)	\$ 566,176
E ADD LINES 2A THROUGH 2D	\$ 566,176
3 SUBTRACT LINE 2E FROM LINE 1	\$ 86,608,911

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
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4 AMOUNTS INCLUDED ON PART IX, LINE 25, NOT ON LINE 1:

A INVESTMENT EXP NOT INCLUDED ON PART VIII, LINE 7B \$

B OTHER (DESCRIBE IN PART XIV) \$ 3,975,368

C ADD LINES 4A AND 4B \$ 3,975,368

5 TOTAL EXPENSES. (ADD LINES 3 & 4C) (PART I, LINE 18) \$ 90,584,279

PART XI, LINE 8, "OTHER"

MINIMUM PENSION LIABILITY \$(7,616,093)

TRANSFERS FROM AFFILIATES \$ 3,678,350

NET \$(3,937,746)

PART XII, LINE 2D, "OTHER"

INVESTMENT EXPENSE IN REVENUE \$ 297,023

PART XII, LINE 4B, "OTHER"

TRANSFER FROM AFFILIATE \$ 3,512,939

RENTAL EXPENSE \$ (566,176)

NET \$ 2,946,763

PART XIII, LINE 2D, "OTHER"

RENTAL EXPENSE IN REVENUE \$ 566,176

PART XIII, LINE 4B, "OTHER"

TRANSFER FROM AFFILIATES \$ 3,678,350

INVESTMENT EXPENSE \$ 297,018

NET \$ 3,975,368

Name of the organization HARFORD MEMORIAL HOSPITAL, INC.	Employer identification number 52-0591484
---	--

SCHEDULE K - SUPPLEMENTAL INFORMATION ON TAX-EXEMPT BONDS

HARFORD MEMORIAL HOSPITAL, INC. & UPPER CHESAPEAKE MEDICAL CENTER, INC.  
(COLLECTIVELY, "HOSPITALS") OBTAINED A LOAN OF \$179,425,000 THROUGH THE  
MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY IN CONNECTION  
WITH THE ISSUANCE OF ITS REVENUE BONDS - UPPER CHESAPEAKE HOSPITALS  
ISSUE, SERIES 2008A-C BONDS (THE SERIES 2008 BONDS).

HOSPITALS HAVE ALLOCATED THE ISSUE PRICE BETWEEN EACH HOSPITAL AS  
FOLLOWS:

UPPER CHESAPEAKE MEDICAL CENTER, INC.: 84%

HARFORD MEMORIAL HOSPITAL, INC.: 16%





**Part III Identification of Related Organizations Taxable as a Partnership**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?
							Yes	No		
UCHS/SJMC_VENT_LLC_52-2178070 520 UPPER CHESAPEAKE DRIVE	MEDICAL SERVICES	MD	N/A	N/A				X		X

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
UPPER CHESAPEAKE HEALTH VENTURES, INC. 52-2031264 520 UPPER CHESAPEAKE DRIVE BEL AIR, MD 21014	MISC. SERVICES	MD	N/A	C CORP			
UPPER CHESAPEAKE MED. OFFICE BLDG, INC. 52-1946829 520 UPPER CHESAPEAKE DRIVE BEL AIR, MD 21014	REAL ESTATE	MD	N/A	C CORP			
UPPER CHESAPEAKE MGMT SVCS ORG, INC. 52-1946025 520 UPPER CHESAPEAKE DRIVE BEL AIR, MD 21014	MANAGEMENT SVCS	MD	N/A	C CORP			
UC MEDICAL CENTER LAND CONDOMINIUM, INC. 77-0674478 520 UPPER CHESAPEAKE DRIVE BEL AIR, MD 21014	REAL ESTATE	MD	N/A	C CORP			
UPPER CHESAPEAKE INSURANCE COMPANY, LTD. 98-0468438 P.O. BOX 1109 KYI-1102 GRAND CAYMAN, CAYMAN ISLANDS	CAPTIVE INSURANCE	CJ	N/A	LTD.			

**Part V Transactions With Related Organizations**

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

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?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to other organization(s)		X
c Gift, grant, or capital contribution from other organization(s)	X	
d Loans or loan guarantees to or for other organization(s)		X
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)		X
j Lease of facilities, equipment, or other assets from other organization(s)		
k Performance of services or membership or fundraising solicitations for other organization(s)	X	
l Performance of services or membership or fundraising solicitations by other organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets	X	
n Sharing of paid employees	X	
o Reimbursement paid to other organization for expenses		
p Reimbursement paid by other organization for expenses	X	
q Other transfer of cash or property to other organization(s)		
r Other transfer of cash or property from other organization(s)		X
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1) UPPER CHESAPEAKE HEALTH SYSTEM	K	3,579,079.
(2)		
(3)		
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FORM 990, PART III - PROGRAM SERVICES

4A PROGRAM SERVICE

TO PROVIDE HEALTHCARE SERVICES TO PATIENTS REGARDLESS OF THEIR ABILITY TO PAY FOR SUCH SERVICES.

FOR MORE THAN 90 YEARS, UPPER CHESAPEAKE HEALTH HAS BEEN PROVIDING COMPREHENSIVE, HIGH QUALITY HEALTHCARE. ITS TWO HOSPITALS, HARFORD MEMORIAL HOSPITAL AND UPPER CHESAPEAKE MEDICAL CENTER OFFER SOME OF THE AREA'S MOST ADVANCED INPATIENT AND OUTPATIENT SERVICES SO THAT PATIENTS CAN ENJOY THE SUPERIOR WELLNESS RESOURCES A HEALTHY LIFESTYLE NEEDS, WITHOUT LEAVING THEIR NEIGHBORHOOD. UPPER CHESAPEAKE HEALTH SYSTEM IS A COMMUNITY-BASED, NON-PROFIT HEALTH SYSTEM LOCATED IN HARFORD COUNTY, MARYLAND. OUR VISION IS BASED ON CREATING THE HEALTHIEST COMMUNITY IN MARYLAND. BUILDING ON THAT VISION, WE HAVE A STRONG COMMITMENT TO SERVICE EXCELLENCE. SO MUCH SO THAT IT HAS BECOME PART OF THE FABRIC OF THE HEALTHCARE EXPERIENCE AT UPPER CHESAPEAKE HEALTH. UPPER CHESAPEAKE HEALTH SYSTEM HAS OVER 2,500 PHYSICIANS AND HEALTHCARE PROFESSIONALS WHO ARE DELIVERING CARE FOR THE MIND, BODY, AND SPIRIT IN SETTINGS FROM OFFICES, TO OUTPATIENT CENTERS, TO HOSPITALS, TO SHOPPING CENTERS, TO BUSINESSES, AND TO HOMES. HARFORD MEMORIAL HOSPITAL IS A MEMBER OF THE UPPER CHESAPEAKE HEALTH SYSTEM. HARFORD MEMORIAL HOSPITAL IS AN ACUTE CARE, NON-PROFIT FACILITY OFFERING A FULL COMPLEMENT OF MEDICAL, DIAGNOSTIC AND EMERGENCY CARE SERVICES. THE HOSPITAL IS FULLY ACCREDITED BY THE JOINT COMMISSION ON THE ACCREDITATION OF HEALTHCARE ORGANIZATIONS (JCAHO). IN ADDITION TO MEDICAL/SURGICAL ACUTE CARE BEDS, THE HOSPITAL HAS A STATE-OF-THE-ART ICU/PCU AND A BUSY EMERGENCY DEPARTMENT THAT CARES FOR OVER 35,000 PATIENTS EACH YEAR. HARFORD MEMORIAL OFFERS VERY SPECIALIZED, ONE OF A KIND, HOSPITAL-BASED SERVICES, INCLUDING A JOINT CENTER FOR PATIENTS UNDERGOING HIP OR KNEE JOINT REPLACEMENT SURGERY, A SLEEP DISORDER CENTER FOR THE DIAGNOSIS AND TREATMENT OF SLEEP DISORDERS, AND INPATIENT AND OUTPATIENT BEHAVIORAL HEALTH SERVICES. HARFORD MEMORIAL HOSPITAL AND UPPER CHESAPEAKE MEDICAL CENTER MAINTAIN CHARITY CARE PROGRAMS AND, IN ADDITION, CONDUCT MANY COMMUNITY OUTREACH AND COMMUNITY BUILDING ACTIVITIES INCLUDING:

- COMMUNITY HEALTH EDUCATION PROGRAMS WHICH INCLUDE NEWBORN BABY CARE, SITTING SAFETY PROGRAM, INFANT CPR, INFANT SAFETY, STOP SMOKING CLASS, KIDS SAFETY CLASS, AND PRENATAL BREAST FEEDING CLASS
- SUPPORT GROUPS INCLUDING BREAST FEEDING SUPPORT, BREAST CANCER

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AWARENESS GROUPS, PERINATAL BEREAVEMENT, ASTHMA SUPPORT GROUP, WIDOW AND WIDOWERS SUPPORT GROUP, GRIEF SUPPORT GROUP, PROSTATE CANCER SUPPORT GROUP, AMPUTEE NETWORK, BRAIN INJURY SUPPORT GROUP, STROKE CLUB, LUPUS SUPPORT GROUP, AND OTHERS

- HEALTH SCREENINGS INCLUDING SCREENINGS FOR OSTEOPOROSIS, CARDIAC PROBLEMS, BLOOD PRESSURE, AND OTHER ISSUES

- FREE AND MOBILE CLINICS

A NUMERICAL SUMMARY OF COMMUNITY ACTIVITIES FOR HARFORD MEMORIAL HOSPITAL IS AS FOLLOWS:

TOTAL HOSPITAL COMMUNITY BENEFIT	# OF STAFF HOURS	# OF ENCOUNTERS
COMMUNITY HEALTH SERVICES	2,001	7,274
TRANSITIONAL CARE	61,006	335
COMMUNITY BENEFIT OPERATIONS	385	0
TOTAL HOSPITAL COMMUNITY BENEFIT	63,392	7,609

TOTAL HOSPITAL COMMUNITY BENEFIT	DIRECT COST(\$)	INDIRECT COST(\$)
COMMUNITY HEALTH SERVICES	\$ 147,820	\$ 82,868
TRANSITIONAL CARE	\$1,868,986	\$1,186,943
COMMUNITY BENEFIT OPERATIONS	\$ 9,844	\$ 5,519
TOTAL HOSPITAL COMMUNITY BENEFIT	\$2,026,650	\$1,275,330

TOTAL HOSPITAL COMMUNITY BENEFIT	OFFSETTING REVENUE	NET COMMUNITY BENEFIT
COMMUNITY HEALTH SERVICES	\$ 35,806	\$ 194,882
TRANSITIONAL CARE	\$1,888,111	\$1,167,818
COMMUNITY BENEFIT OPERATIONS	\$ 0	\$ 15,363
CHARITY CARE	N/A	\$1,247,712
TOTAL HOSPITAL COMMUNITY BENEFIT	\$1,923,917	\$2,625,775

SIGNIFICANT ACCOMPLISHMENTS FOR 2008

COMMUNITY OUTREACH  
 IN 2008, HEALTHLINK HAD APPROXIMATELY 25,000 COMMUNITY-WIDE CONTACTS THROUGH THEIR SCREENING AND EDUCATION PROGRAMS, AND FLU

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VACCINATION CLINICS. APPROXIMATELY 11,500 OF THESE CONTACTS WERE FOR HEALTH SCREENINGS (BLOOD PRESSURE, BODY FAT, CHOLESTEROL, OSTEOPOROSIS, AND CANCER SCREENINGS). A TOTAL OF 8,050 FLU VACCINES WERE DISTRIBUTED COUNTYWIDE AS WELL AS 400 FLUMIST, THE INTRANASAL SPRAY FLU VACCINE.

COMMUNITY EVENTS

CHILDREN'S PROGRAMS

- A TOTAL OF 2,013 CHILDREN WERE INVOLVED WITH OUR GLO GERM PROGRAM. THIS IS A PROGRAM THAT EMPHASIZES HOW INFECTION IS SPREAD AND THE IMPORTANCE OF GOOD HAND WASHING HABITS.
  - APPROXIMATELY 1,200 CHILDREN WERE EXPOSED TO OUR KATU (KIDS AGAINST TOBACCO USE) PROGRAM. THIS IS A PROGRAM THAT TEACHES CHILDREN ABOUT THE DANGERS ASSOCIATED WITH TOBACCO USE.
  - APPROXIMATELY 1,970 CHILDREN ATTENDED OUR TEDDY BEAR CLINICS. THIS IS A PROGRAM THAT FAMILIARIZES CHILDREN WITH THE HOSPITAL EXPERIENCE.
  - A NEW PROGRAM CALLED "BE SMART ABOUT BODY ART" WAS DEVELOPED IN 2007. IT EDUCATES TEENS ABOUT THE POTENTIAL DANGERS ASSOCIATED WITH BODY PIERCING AND TATTOOING. THIS PROGRAM HAS BEEN VERY SUCCESSFUL WITH OVER 600 TEENS BEING EDUCATED.
- \*\*\* MORE THAN 7,900 HARFORD COUNTY CHILDREN PARTICIPATED IN ONE OF OUR CHILDREN'S PROGRAMS IN 2008.

VACCINES

COMMUNITY OUTREACH INITIATED A PNEUMONIA VACCINE PROGRAM. VACCINES WERE OFFERED AT ALL FIVE SENIOR CENTERS THROUGHOUT THE COUNTY. OVER 100 VACCINES WERE GIVEN TO SENIORS.

"DINING WITH DOCS" LECTURES

IN 2008 "DINING WITH DOCS" COMMUNITY LECTURES WERE HELD AT BOTH UPPER CHESAPEAKE MEDICAL CENTER AND HARFORD MEMORIAL. A TOTAL OF 468 COMMUNITY RESIDENTS ATTENDED THE LECTURES.

HEALTHLINK COMMUNITY WELLNESS CENTER

IN 2008 THE HEALTHLINK COMMUNITY WELLNESS CENTER, BETWEEN THE TWO LOCATIONS, HAD 523 RESIDENTS PARTICIPATE IN ONE OF THE AVAILABLE HEALTH SCREENINGS OFFERED THROUGHOUT THE YEAR.

PRIMARY CARE CLINIC

THROUGH THE GENEROSITY OF THE UPPER CHESAPEAKE HEALTH FOUNDATION AND THE VOLUNTEER HOURS OF MANY OF OUR PHYSICIANS, THE HEALTHLINK PRIMARY CARE CLINIC PROVIDES FREE PRIMARY CARE TO ADULTS AGE 19 AND ABOVE WHO ARE UNINSURED OR UNDERINSURED AND MEET SPECIFIC INCOME CRITERIA. IN 2008, THE PCC HAD A TOTAL OF 2,401 PATIENT VISITS; THIS WAS A 100% INCREASE OVER THE PREVIOUS YEAR.

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HEALTHLINK CALL CENTER

- IN 2008, OUR HEALTHLINK CALL CENTER HANDLED APPROXIMATELY 8,500 CALLS. THIS INCLUDED 1,670 PHYSICIAN REFERRALS AND OVER 3,700 SERVICE REFERRALS.
- THE "FLU HOTLINE" WAS REINSTATED TO KEEP THE COMMUNITY BETTER INFORMED ABOUT THE LOCATIONS AND TIMES THAT FLU CLINICS WERE BEING HELD THROUGH OUT THE COUNTY. AS NEW INFORMATION BECAME AVAILABLE OR CHANGED, THE RECORDING ON THE HOTLINE WAS UPDATED SO THAT RESIDENTS COULD GET ACCURATE INFORMATION 24/7.
- PROVIDED SEVERAL FREE CANCER SCREENINGS PLUS A FOOT AND EYE SCREENING FOR DIABETICS:

- SKIN CANCER - 45 PARTICIPANTS
- COLORECTAL CANCER - 6 PARTICIPANTS
- PROSTATE CANCER - 52 PARTICIPANTS
- FOOT AND EYE - 26 PARTICIPANTS

HEALTHLINK AND COMMUNITY HEALTH IMPROVEMENT COALITIONS AND COMMITTEES

- C. A. N. E. S. (COMMUNITY ASSOCIATION OF NON-ENGLISH SPEAKERS)
- HARFORD COUNTY SCHOOL HEALTH BOARD
- HARFORD COUNTY TOBACCO COALITION
- HARFORD COUNTY CANCER COALITION
- HARFORD COUNTY HIGHWAY SAFETY COMMITTEE
- OFFICE ON AGING ADVISORY BOARD
- G. A. N. E. S.



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

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
GREATER WASHINGTON SLEEP DISORDER CENTER 1901 RESEARCH BLVD., SUITE 160 ROCKVILLE, MD 20850	SLEEP TECHNOLOGISTS	321,614.
STRATEGIC RECEIVABLES OUTSOURCING 20401 N 29TH AVE PHOENIX, AZ 85027	RECEIVABLES MGMT	573,468.
NORTHERN CHESAPEAKE ANESTHESIA 500 UPPER CHESAPEAKE DRIVE BEL AIR, MD 21014	PHYSICIAN FEES	515,238.
ROCK GLEN COMMERCIAL, LLC 2021 PULASKI HWY HAVRE DE GRACE, MD 21078	REAL ESTATE AGENCY	434,450.
KPMG LLP 111 SOUTH CALVERT STREET BALTIMORE, MD 21202	CONSULT/AUDIT SVCS	411,725.
TOTAL COMPENSATION		----- 2,256,495. =====

# RENT AND ROYALTY INCOME

<b>Taxpayer's Name</b> HARFORD MEMORIAL HOSPITAL, INC.	<b>Identifying Number</b> 52-0591484
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**DESCRIPTION OF PROPERTY**

RENTAL INCOME

Yes  No Did you actively participate in the operation of the activity during the tax year?

REAL RENTAL INCOME		
OTHER INCOME		
RENTAL INCOME	142,308.	
<b>TOTAL GROSS INCOME</b>		<b>142,308.</b>

<b>OTHER EXPENSES:</b>		
MORTGAGE INTEREST PAID TO FINANCIAL INSTITUTIONS	2,906.	
OTHER EXPENSES	506,748.	

DEPRECIATION (SHOWN BELOW)	56,522.	
LESS: Beneficiary's Portion		
AMORTIZATION		
LESS: Beneficiary's Portion		
DEPLETION		
LESS: Beneficiary's Portion		
<b>TOTAL EXPENSES</b>		<b>566,176.</b>
<b>TOTAL RENT OR ROYALTY INCOME (LOSS)</b>		<b>-423,868.</b>

Less Amount to

Rent or Royalty	_____
Depreciation	_____
Depletion	_____
Investment Interest Expense	_____
Other Expenses	_____
<b>Net Income (Loss) to Others</b>	_____

**Net Rent or Royalty Income (Loss)** -423,868.

**Deductible Rental Loss (if Applicable)** \_\_\_\_\_

**SCHEDULE FOR DEPRECIATION CLAIMED**

(a) Description of property	(b) Cost or unadjusted basis	(c) Date acquired	(d) ACRS des.	(e) Bus. %	(f) Basis for depreciation	(g) Depreciation in prior years	(h) Method	(i) Life or rate	(j) Depreciation for this year
SEE STATEMENT									
<b>JSA Totals</b>									<b>56,522.</b>

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE  
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OTHER INCOME

RENTAL INCOME

142,308.

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142,308.

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OTHER DEDUCTIONS

OTHER EXPENSES

506,748.

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506,748.

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RENT AND ROYALTY SUMMARY

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PROPERTY -----	TOTAL INCOME -----	DEPLETION/ DEPRECIATION -----	OTHER EXPENSES -----	ALLOWABLE NET INCOME -----
RENTAL INCOME	142,308.	56,522.	509,654.	-423,868.
TOTALS	----- 142,308. =====	----- 56,522. =====	----- 509,654. =====	----- -423,868. =====

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	COST OR FMV
CORPORATE STOCKS AND BONDS	47,359,722.	29,459,397.	FMV
TOTALS	47,359,722.	29,459,397.	