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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2008

Open to Public Inspection

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

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termination
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
GASTON MEMORIAL HOSPITAL INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2525 COURT DRIVE PO BOX 1747

City or town, state or country, and ZIP + 4
GASTONIA, NC 280531747

D Employer identification number
56-0619359

E Telephone number
(704) 834-2000

G Gross receipts $ 368,255,063

F Name and address of Principal Officer
DAVID O'CONNOR
2525 COURT DRIVE PO BOX 1747
GASTONIA, NC 280531747

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

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

H(c) Group Exemption Number ▶

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

J Web site: ▶ WWW CAROMONT ORG

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

L Year of Formation 1945

M State of legal domicile NC

Part I Summary

1 Briefly describe the organization's mission or most significant activities
To provide exceptional health care to the communities we serve

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
5	Total number of employees (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	207
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	41,098
b	Net unrelated business taxable income from Form 990-T, line 34	7b	19,739

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	837,867	455,641
9	Program service revenue (Part VIII, line 2g)	338,029,081	363,285,894
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	219,389	0
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,519,611	4,513,528
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	343,605,948	368,255,063
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	26,000	42,500
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	150,568,552	158,413,435
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	(Total fundraising expenses, Part IX, column (D), line 25 0)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	176,430,214	189,145,978
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	327,024,766	347,601,913
19	Revenue less expenses Subtract line 18 from line 12	16,581,182	20,653,150

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	302,282,829	296,184,905
21	Total liabilities (Part X, line 26)	295,362,497	314,205,955
22	Net assets or fund balances Subtract line 21 from line 20	6,920,332	-18,021,050

Part II Signature Block

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

Please Sign Here

****** — Signature of officer — 2010-04-05 Date

DAVID O'CONNOR CFO — Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Amy Bibby | Date | Check if self-employed ☐ | Preparer's PTIN (See Gen Inst)

Firm's name (or yours if self-employed), address, and ZIP + 4: DIXON HUGHES PLLC, 500 Ridgefield Court, Asheville, NC 28806 | EIN ▶ | Phone no ▶ (828) 254-2254

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

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

1 Briefly describe the organization's mission

SEE SCHEDULE O TO PROMOTE THE HEALTH AND WELFARE OF THE INHABITANTS OF GASTON COUNTY, NORTH CAROLINA AND THE SURROUNDING AREAS THROUGH INVOLVEMENT IN VARIOUS HEALTH CARE AND RELATED ACTIVITIES AND THE SUPPORT OF VARIOUS HEALTH CARE AND RELATED ORGANIZATIONS, LIMITED TO THOSE ORGANIZATIONS IN WHICH THIS CORPORATION HAS A SIGNIFICANT VOICE IN POLICY AND/OR MANAGEMENT

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 329,391,031 including grants of $ 42,500) (Revenue $ 373,829,006)

SEE SCHEDULE O CaroMont Health provides inpatient, outpatient, emergency, and surgical services to the residents of Gaston County and surrounding areas at its 435-licensed bed hospital, Gaston Memorial Hospital The vision of CaroMont Health is to be the healthcare provider of choice in the region, offering state of the art care, education and support programs to foster wellness, cure illness and improve health In support of this vision the mission of CaroMont Health is to provide exceptional healthcare to the communities we serve Program development is driven by the following values quality of patient care, respect for the individual, integrity, open and responsible communication, pride of ownership, customer service and patient satisfaction, fiscal responsibility, teamwork, and innovation Finally, CaroMont Health's customer service philosophy is that it is an expectation that patients and families will know They are the sole purpose for CaroMont's existence They are included in care decisions They are safe, and that CaroMont employees care unconditionally STRATEGY AND OBJECTIVES CaroMont Health undertakes a comprehensive assessment of its services every three to five years to determine strategic changes required to address the changing healthcare environment, and thus the overall program directions that need to be pursued On an annual basis, goals and objectives are established that will allow progress towards the desired direction Many of CaroMont Health's Fiscal Year 2009 objectives related to activities to improve the health of the community, such as (1) Renovate medical care and critical care areas to improve patient care environment (2) Develop a senior adult focused care environment utilizing the principles of NICHE (3) Support continued development of a "safety net" program to provide "medical home" and medical services to qualified uninsured residents of Gaston County (4) Purchase mobile medical facility for use in the event of a natural disaster, terrorism attack, pandemic or any type of mass casualty event (5) Complete requirements for JCAHO Certification of Distinction for inpatient diabetes care (6) Participating in, and/or sponsoring/cosponsoring 10 or more healthcare related community events or programs that contribute to improving the health status of the communities we serve (7) Publish at least 24 articles on health education authored by various GMH Medical Staff or employees (8) Participating in at least 48 speaking engagements or promotions regarding various CaroMont Health services and programs (9) Conduct or participate in at least 4 wellness health screenings (10) Staff and operate Emergency Department Care Initiation Unit In addition, several of CaroMont Health's business objectives focused on improving the quality of care provided to our patients Examples are (1) Million Lives Campaign, (2) AHA Hospital Quality Alliance/CMS Quality Initiative Demonstration Project,(3)HealthGrades, (4)JCAHO Core Measures, (5)Leapfrog, (6)National Patient Safety goals (NPSG), (7)Surgical Care Improvement Project (SCIP), (8) Implementation of the Medication Administration Checking System (MAK) to reduce medication errors, (9) Implementation of Smart IV pumps through-out the hospital, (10) The Joint Commission GASTON MEMORIAL FOUNDAITON The Gaston Memorial Hospital Foundation (a subsidiary of CaroMont Health) was established in 1985 In addition to the Foundation utilizing its investment earnings for donations, CaroMont Health donates up to 10% of its operating income to the GMH Foundation each year During fiscal year 2009, $884,820 in donations were distributed to charitable causes throughout Gaston County Funds were given for the following organizations Gaston County Health Department, North Carolina Physicians Health Program (NCPHP), United Way, Gaston Together, Heart Society of Gaston County, Gaston County Medical Society, Gaston Literacy Council, Gaston Arts Council, and Gaston County Schools In addition, Foundation grants were provided to for the following Diabetes a1C program, ED- arctic sun/cardiac hypothermia protocol, indigent medications and services, Great 100 Nursing Program, Camp Summer Breeze (camp for children with asthma) H Spurgeon Mackie Scholarship Fund, Dr Lonnie Waggoner Scholarship Fund, Birthplace Bereavement Program, Pharmacy Patient Safety Program, Cancer Center Mammosite Program, Stroke Awareness, Heart Failure Education, Patient Education video and DME Distribution Program Gaston Memorial Hospital Foundation actively supports Gaston Family Health Services (GFHS), a private non-profit corporation providing medical and dental services to the uninsured and underinsured population of Gaston County During fiscal year 2009, the Foundation donated $480,778 to help cover the cost of their nine physicians This clinic is important to assuring that the uninsured and underinsured have access to health care in Gaston County In FY 2008-09, GFHS provided 45,139 medical visits and 20,972 dental visits CaroMont Health is committed to assisting GFHS in providing for these patients who might otherwise go without primary care services The Foundation support covers about 10% of the operating costs for GFHS HEALTHNET GASTON HealthNet Gaston (HNG) is a program designed to provide comprehensive health care services to low-income, uninsured residents of Gaston County Its services include a medical home/primary care physician services, specialty physician services, medication assistance, case management/health coaching activities, and hospital services HNG operates through the leadership and collaboration of its four founding strategic partners, including Gaston Memorial Hospital, Gaston Family Health Services, Community Health Partners, Gaston Community Health Care Commission Other strategic partners involved with this initiative include community 241 physicians, Gaston County Department of Social Services, Gaston County Health Department, and other local leaders During fiscal year 2009, the hospital provided $4 8 million and the employed physicians provided nearly $1 0 million of uncompensated care to the HNG patients UNITED WAY CaroMont Health is a pace setter organization for United Way and in fiscal year 2009, employees pledged $278,971 to United Way Since 1990, CaroMont Health has donated a 10% match of the United Way employee pledges to the employee hardship fund on an annual basis Funds are distributed to CaroMont Health employees who experience an unforeseen catastrophic event (for example, fire, serious accident, etc) during the year GASTON COMMUNITY HEALTHCARE COMMISSION In 1992 the Gaston Community Healthcare Commission (GCHC) was established with Gaston Memorial Hospital as a sponsoring organization The GCHC has been a certified Healthy Carolinian Task Force since 1994 The purpose of this organization is to develop a workable community-wide agenda through a problem solving network of organizations and individuals to improve health status of Gaston County As a designated Healthy Carolinian Task Force, initiatives have to be coordinated by a Board that is representative of the community, and document the impact that its initiatives have on health status Since 1998, the following organizations have had a permanent position on the GCHC Gaston Memorial Hospital, Gaston County Health Department, Gaston/Lincoln/Cleveland Mental Health Authority, Gaston Family Health Services, Gaston County Department of Social Services, Gaston County School System, Gaston College and Gaston Emergency Medical Services The 25 member GCHC Board directed the activities of seven initiatives that were undertaken to improve health status These efforts focused on improving the health of children, assisting residents of all ages to make better life styles choices, and improving access and decreasing the cost of medical services During 2003 the GCHC was transferred to Gaston Together Gaston Together allows the GCHC to have broader exposure in the community, and greater ability to seek grants to assist with the implementation of the numerous initiatives, while taking a broader advocacy position for addressing local health issues The GCHC has been identified as the point organization for addressing health issues as a part of Gaston County's Vision 2012 Vision 2012 is a collaborative effort between Gaston County and the Gaston County Chamber of Commerce to implement initiatives for addressing economic development, infrastructure development, housing, safety, social/arts, and health issues All of these actions have resulted in a stronger Board and community involvement for GCHC in order to continue to address health related issues

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

SEE SCHEDULE O HEALTH INSURANCE ENROLLMENT PROGRAMS Gaston Memorial Hospital has developed a program to assist uninsured and underinsured community members with enrollment in public programs Seven employees assist individuals with enrollment in Medicaid, NC Health Choice, Medicare, Crime Victims program, food stamps, vocational rehab, public housing, Wal-Mart prescription program, meals on wheels and adult services at DSS at an annual cost of $424,850 The primary service area of CaroMont Health is Gaston County in North Carolina However, because of the regional nature of multiple services and/or programs that are provided through the organization, we provide a substantial amount of health care services to residents outside Gaston County These out of county residents primarily come from Cleveland and Lincoln Counties in North Carolina, as well as York and Cherokee Counties in South Carolina In fiscal year 2009, Gaston Memorial Hospital provided over $58 million of uncompensated care services to patients who had no insurance representing 6 8% of total services provided In addition, the hospital provided over $143 million in services to Medicaid patients, representing 16 6% of the total services provided No funding is received by CaroMont Health from Gaston County to provide this uncompensated care Services are provided to all Gaston County residents, regardless of their ability to pay All programs are funded from excess working capital On occasion grants are received from The Duke Endowment, local foundations, federal or state agencies for specific programs, such as assistance with the start-up of parish nurse ministries, assistance with bioterrorism readiness, and the Breast Health Navigator position Community priorities are established through a number of mechanisms (1) Leadership opinions are sought to help identify needed services in the community (2) Telephone surveys are conducted on a periodic basis to gather opinions from residents in the service area, the most recent study was completed in the spring of 2009 (3) Patient satisfaction data is analyzed to determine where and/or how services need to be improved (4)Service area data (vital statistics, demographics and utilization) are analyzed for trends This information is coordinated with public health data to determine voids and service area health problems (5) Findings from community surveys/reports published by other organizations (United Way, Chamber of Commerce, Partnership for Children, Gaston County, etc) are gathered and reviewed for pertinence to community health problems (6) Gaston Memorial Hospital through the GCHC in conjunction with the Gaston County Health Department conducts a Community Assessment every four years The most recent study was Fall, 2008) This assessment gathers opinions and is combined with public health data to determine the top four community-wide health issues (7) Service area strengths, weaknesses and opportunities are used as a basis for establishing community priorities All this information is used to establish organizational priorities, identify agencies and organizations to be involved in resolving community issues, and implement programs to resolve identified issues Goals, objectives and strategies are established and the progress is evaluated on an annual basis (8) Board members, senior management and department directors are involved in numerous organizations Through this network of relationships, further information about the community and the needs of area residents and organizations are used in the development of programs and services available though CaroMont Health Community Health Services 51 speakers for community meetings and or events were provided, 27 seminars were provided covering topics such as Annual Athletic Physicals, Breast Cancer, Car Seat Check, Diabetes, Hearing Loss, Heart Health, Joint Care, Low Back Pain, Movement Disorders, Osteoarthritis, Parent Safety, Pelvic Organ Prolapse, Prostate Cancer, Sleep Apnea, Straw Bale Gardening, Varicose Veins, 11 health fairs were held providing screenings as well as a large health fair at the mall for the general public that reached over 5,000 participants, 19 on-going support groups Alzheimer Support Group,Cancer support, Celiac, Dealth of a parent, Death of a spouse,Diabetes, Fibromyalgia, I Can Cope, Implanted Cardio Defibrillator, Living beyond cancer, Lunch Bunch Grief Group, Man-to-man prostate cancer, Multiple sclerosis, Parkinsons, Pink Ribbon Club, Pulmonary, Spinal cord stimulator, Stroke & Brain Injury, Understanding Grief after loss, Widowed of Greater Gaston, Widowed persons lunch bunch, 12 Screenings, including Blood Pressure, Bone Density, Breast Cancer, Depression/Holiday Grief, Glucose/Diabetes screening, Hearing screening, Prostate screening (2), Skin Cancer screenings, Vascular screening Two sports clinics were hosted, one baseball injury clinic, and annual physicals Supersitters (baby sitting clinic for teens) with 60 attendees Camps Phoenix (grief for children) and Summer Breeze (for children with asthma) Blood drives for Community Blood Center of Carolinas (4), Medical Explorers, Seven employees provide enrollment assistance in public assistance programs

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

SEE SCHEDULE O Health Professionals Education CaroMont Health provides over $624,553 for the following educational activities (1) Students from 66 colleges and universities ranging from 2 year programs to traditional 4 year programs to Masters level receive all or part of their clinical training at various CaroMont Health facilities, including the following disciplines Cardiovascular interventional technology, Clinical pastoral education, Communication sciences and disorders, Counseling, Family Nurse practitioner, Food and Nutrition, Health services and information management, Laboratory technology, MRI, Neonatal nursing, Nurse midwifery, Nursing, Occupational therapy, Paramedic - basic and EMT's, Pharmacy, Phlebotomy, Physical therapist assistant, Physical therapy, Radiation therapy, Radiographic technology, Recreational therapy, Respiratory therapy, Social Work, Therapeutic recreations (2)Numerous programs for Middle and High school students are also provided to assist in career exploration and decision making (3) Funding is provided for a UNCC Nursing program clinical facilitator and class supplies (4) Lunch and Learn sessions were held for nursing students covering the following topics Lab values, Understanding medication safety, Core quality measures, Pharmacy tour, Radiology tour, ABG interpretation, Blood gas analysis, Ventilators, Tubes and drains, Perinatalogy nursing, and IV therapy Financial contributions and in-kind contributions cover a wide array of community events and activities such as American Cancer Society Relay for Life - auction , American Heart Society, Avon Foundation - Walk Against Domestic Violence, Belmont Abbey Crusaders, Bessemer City Chamber of Commerce, Bethlehem Baptist, Boy Scouts, Boys & Girls Club of Greater Gaston, CAM Golf Tournament, Camp Bud Schiele, Cancer Services of Gaston County, Cancer Services of Gaston County, Catawba Land Conservancy, Clover Area Crisis Center, Community Blood Center of the Carolinas, Community Foundation of Gaston County-Run for the Money, Daniel Stowe Botanical Gardens, East Gaston High School, Gardner Webb Athletic Physicals, Gaston Arts Council, Gaston Chamber Education Summit, Gaston Chamber of Commerce, Gaston Christian School, Gaston County Fellowship of Christian Athletes, Gaston County Museum, Gaston County Schools Allied Health Program, Gaston County Schools Health Occupations Program, Gaston County schools - school supply donation programs, Gaston County Spirit of the Carolinas, Gaston County YMCA Activate Gaston, Gaston Lincoln Cleveland Nurses Celebration, Gastonia Civitan, Gastonia Grizzlies, Gastonia Jaycees, Habitat for Humanity, Heart Society of Gaston County, Heart Walk, Highland Technical School, Holy Angels Fundraiser, House of Mercy, Hulls Grove Baptist Church, Indigent Medications, Services & Transportation, Junior Achievement, Junior League of Gaston County, Lake Wylie Chamber of Commerce, March of Dimes, Medical Explorers, Montcross Area Chamber of Commerce, Multiple Sclerosis Society, NC Medical Society Alliance, Poker Run (benefits Hospice), Professional Firefighters and Paramedics, Rally for A Cure Golf, Rhyne Elementary, Rotary Club, Salvation Army Boys & Girls Club, Samaritans Purse, Special Olympics, Tabernacle Baptist, Temple Emmanuel Banquest, United Arts Council Fund Drive, United Way, United Way Alexis de Tocqueville Event, With Friends Youth Shelter, YMCA Spencer Mountain Run Community Building Activities - Staff provide time and expertise to the following organizations Activate Gaston - YMCA, American Cancer Society Relay for Life - Steering committee, BB&T Board, Caldwell Community College Ultrasound Advisory Board, Carolinas Center Directors - Hospice, Cancer Services of Gaston County - Board of Directors, Civitan Club Board, Cleveland Community College - Advisory Board, Cleveland Community College - Applications Board, Commissioners School of Excellence, Gaston 2012 Marketing Committee, Gaston 2012 Strategic Council, Gaston Chamber Economic Development Committee, Gaston Chamber Health Care Professionals, Gaston County Chamber of Commerce - Board of Directors, Gaston County Healthcare Commission, Gaston County Medical Society (provide all staff support), Gaston County YMCA Central Board of Directors, Gastonia Civitan Club, Girl Scout - Board of Directors, 100 Nurses - Board of Directors, Heart Society - Board of Directors, Highland School of Technology - Advisory Board, Holy Angels - Board of Directors, Homeless Task Force, House of Mercy - Board of Directors, Kiwanis of Gastonia, Leadership Gaston Healthcare Day, Light a Path Grief Walk - Steering committee, Local Emergency Preparedness Committee, New Urbanization Committee, Project Connect, Quality of Natural Resources Commission, Rotary Club of Gastonia, Special Olympics, The Carolina Center for Hospice and End of Life Care - Directors Council, United Way - Board and Directors Council, United Way Day of Caring - over 100 employees participate

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

4e Total program service expenses $ 329,391,031 *Must equal Part IX, Line 25, column (B).*

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(Continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	253		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	0		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? **Note:** *If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.*	2b			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** *Report of Foreign Bank and Financial Accounts.*				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, *Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?*	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	*Organizations that may receive deductible contributions under section 170(c).*				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of $75 or more?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			No
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			No
8	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.*				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	*Section 501(c)(7) organizations.* Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	*Section 4947(a)(1) non-exempt charitable trusts.* Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

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

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body . .	1a 14		
b	Enter the number of voting members that are independent . .	1b 10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . .	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	the governing body?	8a	Yes	
b	each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	Yes	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	11		No

Section B. Policies

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

Section C. Disclosure

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

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

☐ own website ☑ another's website ☑ upon request

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

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

DAVID O'CONNOR
2525 COURT DRIVE PO BOX 1747
GASTONIA, NC 28054
(704) 834-2000

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

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

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

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

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

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

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

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

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

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply) Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Total ▶								4,576,197	475,846	946,444

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 104

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SHARED (SIEMENS) MEDICAL SOLUTIONS 51 VALLEY STREAM PARKWAY MALVERN, PA 19355	INFORMATION SYSTEMS	4,669,274
MORRISON MANAGEMENT SPECIALISTS INC 3 WACHOVIA CENTER STE 3000 401 S CHARLOTTE, NC 28202	FOOD SERVICES MANAGEMENT	4,192,167
ARAMARK CTS 12483 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	BIOMED SERVICES	2,118,038
GASTON ANESTHESIA ASSOCIATES PO BOX 601713 CHARLOTTE, NC 28260	CRNA SERVICES	1,942,950
REHABCARE GROUP 7733 FORSYTH BLVD STE 1700 ST LOUIS, MO 63105	OP REHAB SERVICES	1,411,318

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 45

Part VIII Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d 254,800				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 200,841				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total (Add lines 1a-1f)** ▶	455,641			
Program Service Revenue		Business Code				
	2a	PATIENT SERVICES REVEN 621,500	361,837,389	361,793,624	43,765	
	b	PARTNERSHIP INCOME 541,900	806,614	812,674	-6,060	
	c	IMAGING REVENUE	414,332	414,332		
	d	NURSING OUTREACH	112,098	112,098		
	e	LINEN/LAUNDRY 541,900	93,221	89,828	3,393	
	f	All other program service revenue	22,240	22,240		
	g	**Total. Add lines 2a-2f** ▶ $ 363,285,894				
Other Revenue	3	Investment income (including dividends, interest other similar amounts) ▶				
	4	Income from investment of tax-exempt bond proceeds ▶				
	5	Royalties				
		(i) Real / (ii) Personal				
	6a	Gross Rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) ▶				
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss) ▶				
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 *Attach Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events ▶				
	9a	Gross income from gaming activities See part IV, line 19 *Complete Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities ▶				
	10a	Gross sales of inventory, less returns and allowances a				
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory ▶				
		Miscellaneous Revenue / Business Code				
	11a	CAFETERIA & VENDING IN	2,282,278			2,282,278
	b	PHARMACY REVENUE	1,712,662			1,712,662
	c	DISCOUNTS & REBATES	411,280	411,280		
	d	All other revenue _____	107,308			107,308
	e	**Total. Add lines 11a-11d** ▶ $ 4,513,528				
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	368,255,063	363,656,076	41,098	4,102,248

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22	42,500	42,500		
3 Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,156,111	734,608	2,421,503	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	228,964	92,772	136,192	
7 Other salaries and wages	124,639,268	116,610,530	136,192	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,784,199	1,636,372	147,827	
9 Other employee benefits	19,463,039	17,850,465	1,612,574	
10 Payroll taxes	9,141,854	8,384,422	757,432	
11 Fees for services (non-employees)				
a Management	4,290,009	4,290,009		
b Legal	649,975		649,975	
c Accounting	144,510		144,510	
d Lobbying	28,129	28,129		
e Professional fundraising *See Part IV, line 17*				
f Investment management fees				
g Other	24,632,004	22,727,827	1,904,177	
12 Advertising and promotion	1,183,607	214,228	969,379	
13 Office expenses	2,421,846	1,824,703	597,143	
14 Information technology	218,935	218,935		
15 Royalties				
16 Occupancy	8,375,742	8,375,742		
17 Travel	99,569	59,227	40,342	
18 Payments of travel or entertainment expenses for any Federal, state or local public officials				
19 Conferences, conventions and meetings	432,667	230,347	202,320	
20 Interest	10,522,502	10,522,502		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	26,749,751	26,749,751		
23 Insurance	2,685,352	2,685,352		
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 UBI TAX	25,843		25,843	
b MEDICAL SUPPLIES	64,701,469	64,626,947	74,522	
c BAD DEBT	35,044,094	35,044,094		
d EQUIPMENT	5,656,475	5,633,850	22,625	
e RECRUITING	1,157,962	696,863	461,099	
f All other expenses	125,537	110,856	14,681	
25 **Total functional expenses.** Add lines 1 through 24f	347,601,913	329,391,031	18,210,882	0
26 **Joint Costs.** Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	-57,248	1	-14,801
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	32,846,118	4	35,522,404
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties *Complete Part II of Schedule L*		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) *Complete Part II of Schedule L*		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	4,744,018	8	4,975,910
	9	Prepaid expenses and deferred charges	4,873,916	9	7,006,967
	10a	Land, buildings, and equipment cost basis — 10a: 452,600,304			
	b	Less accumulated depreciation *Complete Part VI of Schedule D* — 10b: 244,045,142	207,176,119	10c	208,555,162
	11	Investments—publicly traded securities	16,678,974	11	3,110,334
	12	Investments—other securities See Part IV, line 11 *Complete Part VII of Schedule D*		12	
	13	Investments—program-related See Part IV, line 11 *Complete Part VIII of Schedule D*	318,970	13	306,912
	14	Intangible assets	2,311,646	14	2,311,646
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*	33,390,316	15	34,410,371
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*	302,282,829	16	296,184,905
Liabilities	17	Accounts payable and accrued expenses	37,171,036	17	45,447,702
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	230,707,774	20	225,406,834
	21	Escrow account liability *Complete Part IV of Schedule D*		21	
	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities *Complete Part X of Schedule D*	27,483,687	25	43,351,419
	26	**Total liabilities.** *Add lines 17 through 25*	295,362,497	26	314,205,955
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	6,156,302	27	-18,021,050
	28	Temporarily restricted net assets	764,030	28	0
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	6,920,332	33	-18,021,050
	34	Total liabilities and net assets/fund balances	302,282,829	34	296,184,905

Part XI Financial Statements and Reporting

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

h Provide the following information about the organizations the organization supports

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

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

Public Support

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

Total Support

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

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

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

Computation of Public Support Percentage

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Total Support

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

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

Computation of Public Support Percentage

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

Computation of Investment Income Percentage

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

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

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

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

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

Facts and Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 56-0619359
Name: GASTON MEMORIAL HOSPITAL INC

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Mr James R Beam , Director	1 00	X						0	0	0
Mr Robert H Blalock J , Chairman	1 00	X						0	0	0
Dr Robert D Crouch , Director	1 00	X						1,064	0	0
Richard K Craig , Director	1 00	X						0	0	0
Mrs Mary Frances Forres , Director	1 00	X						0	0	0
Kelvin C Harris MD , Director	1 00	X						0	182,801	18,733
Mr William K Gary Sr , Director	1 00	X						0	0	0
Mr James H Howard Jr , Director	1 00	X						1,077	0	0
Mr H Spurgeon Mackie , Vice Chairman	1 00	X						0	0	0
Mr Barry M Pomeroy , Treasurer	1 00	X						0	0	0
Mr Mickey Price , Director	1 00	X						0	0	0
Sheila S Reilly PhD , Secretary	1 00	X						0	0	0
Mr David Allen Smith , Director	1 00	X						0	0	0
Johnathan D Williams M , Chief-of-Staff	1 00	X						20,000	0	0
Dr William J Caddick , Past Chief-of-Staff	1 00	X						10,000	293,045	18,872
Dr Todd R Davis , Past Chief-of-Staff	1 00	X						30,000	0	0
Dr H Clayton Thomason , Chief-of-Staff Elect	1 00	X						0	0	0
Wayne F Shovelin , CEO	40 00			X				875,859	0	368,000
David O'Connor , CFO/Asst Treasurer	40 00			X				441,592	0	80,032
Maria Long , VP General Counsel/Asst	40 00			X				245,895	0	14,554
Terry L Jones , COO	40 00				X			523,775	0	81,029
HUBER JAMES D , VP MEDICAL SERVICES	40 00				X			343,742	0	72,438
RUBIN STEVEN A , VP PRACTICE MANAGEMENT	40 00				X			338,914	0	58,625
HARWELL W K , VP PATIENT CARE SERVICES	40 00				X			295,450	0	48,676
SERRA ANDREA K , VP ANCILLARY SERVICES	40 00				X			275,519	0	45,997
JOHNSON MICHAEL R , IS Director	40 00					X		223,082	0	35,848
REESE SHARILYN J , Corporate Controller	40 00					X		212,302	0	25,658
MCSWAIN DAVID S , Clinical Pharmacist	40 00					X		211,962	0	26,028
SWANSON LAURA W , Clinical Pharmacist	40 00					X		178,037	0	14,134
BLACKBURN RICHARD C , Highly Compensated	40 00					X		172,021	0	29,070

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
HENDERSON ROBERT F , Former	40 00						X	175,906	0	8,750

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
a PATIENT SERVICES REVEN	621,500	361,837,389	361,793,624	43,765	
b PARTNERSHIP INCOME	541,900	806,614	812,674	-6,060	
c IMAGING REVENUE		414,332	414,332		
d NURSING OUTREACH		112,098	112,098		
e LINEN/LAUNDRY	541,900	93,221	89,828	3,393	

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SCHEDULE C
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)
- Section 501(c)(3) organizations complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990EZ, Part VI, line 47 (Lobbying Activities)
- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax)
- Section 501(c)(4), (5), or (6) organizations complete Part III

Name of the organization	Employer identification number
GASTON MEMORIAL HOSPITAL INC	56-0619359

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines c through i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
i	Other activities If "Yes," describe in Part IV	Yes		28,129
j	Total lines 1c through 1i			28,129
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes" enter the amount of any tax incurred under section 4912			
c	If "Yes" enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

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

Identifier	Return Reference	Explanation
Part II-B, Line 1i	Explanation of Other Lobbying Activities	ANNUAL DUES WERE PAID TO THE NORTH CAROLINA HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION, OF WHICH $28,129 WAS DETERMINED TO BE EXPENDITURES USED IN LOBBYING ACTIVITIES BY THESE ORGANIZATIONS

Part IV Supplemental Information

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		1,654,070		1,654,070
b Buildings		247,493,151	97,163,804	150,329,347
c Leasehold improvements				
d Equipment		185,318,399	142,542,492	42,775,907
e Other		18,134,684	4,338,846	13,795,838
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				208,555,162

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

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

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

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

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

(a) Description	(b) Book value
PREPAID PENSION OBLIGATION	22,303,832
DEFERRED CHARGES	6,288,858
OTHER RECEIVABLES	3,626,193
457B PLAN ASSETS	2,191,488
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	34,410,371

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
457B PLAN LIABILITY	2,191,488
ESTIMATED 3RD PARTY SETTLEMENTS	21,690,238
CAPITAL LEASE OBLIGATION	44,796
INTEREST RATE SWAP LIABILITY	19,424,897
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	43,351,419

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	368,255,063
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	347,601,913
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	20,653,150
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-45,594,532
9	Total adjustments (net) Add lines 4 - 8	9	-45,594,532
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-24,941,382

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

1	Total revenue, gains, and other support per audited financial statements			1	320,580,710
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-47,674,353		
e	Add lines **2a** through **2d**			2e	-47,674,353
3	Subtract line **2e** from line **1**			3	368,255,063
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	368,255,063

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

1	Total expenses and losses per audited financial statements			1	312,557,819
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	312,557,819
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	35,044,094		
c	Add lines **4a** and **4b**			4c	35,044,094
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	347,601,913

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Part XI, Line 8 - Other Adjustments		UNREALIZED LOSS ON INTEREST RATE SWAP -12630259 EQUITY TRANSFER TO CH (EIN 58-1636959) -36763902 EQUITY TRANSFER FROM CHS (EIN 56-1455630) 3799629
Part XII, Line 2d - Other Adjustments		BAD DEBT EXPENSE -35044094 UNREALIZED LOSS ON INTEREST RATE SWAP -12630259
Part XIII, Line 4b - Other Adjustments		BAD DEBT EXPENSE 35044094

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

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

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

7 Charity Care and Certain Other Community Benefits at Cost

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

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

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

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

Section A. Bad Debt Expense

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

Section B. Medicare

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

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
GASTON MEMORIAL HOSPITAL INCORPORATED 2525 COURT DRIVE GASTONIA, NC 28054	X	X					X		6 OUTPATIENT CLINICS, 3 DIAGNOSTIC CENTERS

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information

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

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

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

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

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

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

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

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

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . ☐ Yes ☑ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 if additional space is needed . . . . ▶ ☐

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations . . . . ▶

3 Enter total number of other organizations . . . . ▶

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
NURSING EDUCATION SCHOLARSHIP	23	42,500			

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

Identifier	Return Reference	Explanation

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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

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Name of the organization
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Kelvin C Harris MD	(i)							
	(ii)	162,085	18,957	1,759		18,733	201,534	
Dr William J Caddick MD	(i)	10,000					10,000	
	(ii)	242,519	46,780	3,746		18,872	311,917	
Wayne F Shovelin	(i)	376,992	347,000	151,867	325,820	42,180	1,243,859	
	(ii)							
David O'Connor	(i)	296,943	122,648	22,001	58,635	21,397	521,624	
	(ii)							
Maria Long	(i)	166,377	46,757	32,761	3,219	11,335	260,449	
	(ii)							
Terry L Jones	(i)	254,561	99,032	170,182	63,065	17,964	604,804	86,815
	(ii)							
HUBER JAMES D	(i)	240,640	63,770	39,332	49,189	23,249	416,180	
	(ii)							
RUBIN STEVEN A	(i)	208,223	85,847	44,844	30,903	27,722	397,539	15,772
	(ii)							
HARWELL W K	(i)	168,199	83,041	44,210	25,687	22,989	344,126	
	(ii)							
SERRA ANDREA K	(i)	154,356	72,769	48,394	25,664	20,333	321,516	16,055
	(ii)							
JOHNSON MICHAEL R	(i)	157,744	28,651	36,687	16,171	19,677	258,930	
	(ii)							
REESE SHARILYN J	(i)	164,652	28,299	19,351	5,666	19,992	237,960	
	(ii)							
MCSWAIN DAVID S	(i)	164,623		47,339	12,555	13,473	237,990	
	(ii)							
SWANSON LAURA W	(i)	143,995		34,042	1,466	12,668	192,171	
	(ii)							
BLACKBURN RICHARD C	(i)	116,575	22,162	33,284	12,773	16,297	201,091	
	(ii)							
HENDERSON ROBERT F	(i)	155,413		20,493	8,750		184,656	
	(ii)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	Travel for Companions - If a spouse or companion is expected to attend an event, it must be approved in advance and the expenses of the spouse or companion will be treated as taxable compensation and added to the employee's W2 or a 1099 will be issued at the end of the calendar year During FY 2009 this benefit was provided to the CEO and some board members Tax indemnification and gross-up payments - Reimbursement for certain taxable benefit costs (i e cell phones) will be grossed up for any tax obligations Health or social club dues or initiation fees - A percentage of personal use of dues payments for membership in a health or fitness club or a social or recreational club will be added to the employee's W-2 at the end of the calendar year During FY 2009 this benefit was provided to the CEO and CFO
	Part I, Line 4a	Robert Henderson - $175,906 severance - payout pursuant to executive severance policy Wayne F Shovelin, CEO participates in a Supplemental Salary Continuation Retirement Plan Pursuant to the Execuflex Benefit Plan, key Employees were allowed to participate in a 457f retirement plan which terminated 12/31/08
	Part I, Line 6	Executive Incentive Compensation Plan for all key employees based on the achievement of annual Business Objectives and Financial Performance of the consolidated system Manager Incentive Plan based on consolidated corporate and individual performance goals

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 56-0619359
Name: GASTON MEMORIAL HOSPITAL INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Kelvin C Harris MD	(I) (II)	162,085	18,957	1,759		18,733	201,534	
Dr William J Caddick MD	(I) (II)	10,000 242,519	46,780	3,746		18,872	10,000 311,917	
Wayne F Shovelin	(I) (II)	376,992	347,000	151,867	325,820	42,180	1,243,859	
David O'Connor	(I) (II)	296,943	122,648	22,001	58,635	21,397	521,624	
Maria Long	(I) (II)	166,377	46,757	32,761	3,219	11,335	260,449	
Terry L Jones	(I) (II)	254,561	99,032	170,182	63,065	17,964	604,804	86,815
HUBER JAMES D	(I) (II)	240,640	63,770	39,332	49,189	23,249	416,180	
RUBIN STEVEN A	(I) (II)	208,223	85,847	44,844	30,903	27,722	397,539	15,772
HARWELL W K	(I) (II)	168,199	83,041	44,210	25,687	22,989	344,126	
SERRA ANDREA K	(I) (II)	154,356	72,769	48,394	25,664	20,333	321,516	16,055
JOHNSON MICHAEL R	(I) (II)	157,744	28,651	36,687	16,171	19,677	258,930	
REESE SHARILYN J	(I) (II)	164,652	28,299	19,351	5,666	19,992	237,960	
MCSWAIN DAVID S	(I) (II)	164,623		47,339	12,555	13,473	237,990	
SWANSON LAURA W	(I) (II)	143,995		34,042	1,466	12,668	192,171	
BLACKBURN RICHARD C	(I) (II)	116,575	22,162	33,284	12,773	16,297	201,091	
HENDERSON ROBERT F	(I) (II)	155,413		20,493	8,750		184,656	

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

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	North Carolina Medical Care Commission	52-1309402	65820HVF7	01-23-2003	120,000,000	new construction, purchase capital equipment, partial advance refunding	X			X
B	north Carolina Medical Care Commission	52-1309402	65820HA94	01-01-2008	118,400,000	renovation of hospital, purchase of capital equipment, current refunding		X		X

Part II Proceeds *(Optional for 2008)*

		A	B	C	D	E
1	Total Proceeds of Issue					
2	Gross Proceeds in Reserve Funds					
3	Proceeds in Refunding or Defeasance Escrows					
4	Other Unspent Proceeds					
5	Issuance Costs from Proceeds					
6	Working Capital Expenditures from Proceeds					
7	Capital Expenditures from Proceeds					
8	Year of Substantial Completion					

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
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?										

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

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
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?										

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b	Are there any research agreements with respect to the financed property which may result in private business use?										
3c	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?										
4	Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
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 501(c)(3) organization, or a state or local government										
6	Total of lines 4 and 5										
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

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 been filed wth respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
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?										
6	Did the bond issue qualify for an exception to rebate?										

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38b or 40b.

OMB No 1545-0047

2008

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Name of the organization
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
See Additional Data Table					

Additional Data

Software ID:
Software Version:
EIN: 56-0619359
Name: GASTON MEMORIAL HOSPITAL INC

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction $	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
GWHCKELBRY PROPERTIES	ENTITY MORE THAN 5% OWNERSHIP BY KELVIN HARRIS, MD, DIRECTOR	289,899	lease of building to related organization		No
LUCINDA DAVIS	FAMILY MEMBER OF DIRECTOR, JAMES BEAM	54,455	COMPENSATION		No
Barbara Williams	FAMILY MEMBER OF DIRECTOR, JOHNATHAN WILLIAMS	38,317	COMPENSATION		No
TRACY POMEROY	FAMILY MEMBER OF DIRECTOR, BARRY POMEROY	26,116	COMPENSATION		No
GENA POMEROY	FAMILY MEMBER OF DIRECTOR, BARRY POMEROY	28,905	COMPENSATION		No
GASTON ANESTHESIA ASSOCIATES	ENTITY MORE THAN 5% OWNERSHIP BY TODD DAVIS, MD, DIRECTOR	2,096,347	performance of services		No
ELLEN DAVIS MD	FAMILY MEMBER OF TODD DAVIS, MD , DIRECTOR	237,202	COMPENSATION		No

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		The organization's Form 990 is reviewed by the Audit and Finance committee of the Board of Directors prior to presentation to the full Board

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		Each applicable employee and director shall fully and truthfully complete a questionnaire concerning potential and actual conflicts of interest annually Such questionnaire shall identify the employee's obligation to immediately make the President aware in writing of any potential or actual conflicts on interest as they may arise and contain said employee's agreement to abide by all terms and conditions of this policy as a condition of retaining their position Such questionnaires shall be reviewed annually by the Vice President/General Counsel and the Corporate Compliance Officer The President shall make the Board of Directors aware of any actual conflicts of interest

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		The CEO,CFO/Assistant Treasurer, General Counsel/ Assistant Secretary, VP-Practice Management, and the Chair of the Board of Directors of Caromont Medical Group, Inc , are compensated for their services by Caromont Health, Inc The compensation of all Caromont Executives for each year will be established by the Caromont Health, Inc Compensation Committee in advance If any Board members are employees of the organization or related to Executives, they may provide input to the Compensation Committee but will leave the room and not participate in the discussion or decision making by the Compensation Committee The minutes will reflect that they were not in the room during the discussion and vote In considering compensation, total compensation shall be available to the Compensation Committee, including but not limited to the value of all employee benefits whether taxable or not, housing allowance or value of provided housing, the value of vehicles or car allowances provided to the Executive, and retirement plan contributions Compensation for the CEO shall be established through the following procedure a The Chair of the Compensation Committee will meet with the CEO annually to review his or her compensation and to seek input from the CEO b The Compensation Committee shall collect information regarding amounts paid by comparable organizations for comparable services and consider how the proposed compensation compares to the comparison information c The Board of Directors, upon recommendation from the Compensation Committee, shall authorize the CEO's compensation Compensation for Executives shall be established through the following procedure a The CEO will meet with each Executive annually to review his or her compensation and to seek input from the Executive b The CEO shall collect information regarding amounts paid by comparable organizations for comparable services and consider how the proposed compensation compares to the comparison information c The Compensation Committee, upon recommendation from the CEO, shall authorize each Executive's compensation Full collected compensation information and any compensation opinions provided during these processes will be kept with the Compensation Committee or Board minutes, as applicable

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		At this time, the organization's governing documents and conflict of interest policy are not made available to the public The organization's financial statements are made available upon request

Identifier	Return Reference	Explanation
FORM 990, PART IV, LINE 12 AND PART XI, LINE 2	AUDITED FINANCIAL STATEMENTS	THE FILING ORGANIZATION RECEIVED FINANCIAL STATEMENTS THAT WERE A PART OF A CONSOLIDATED GAAP AUDIT SEE SCHEDULE D, PARTS XI, XII, AND XIII FOR FINANCIAL INFORMATION FROM THE AUDITED FINANCIAL STATEMENTS

Identifier	Return Reference	Explanation
Schedule K Supplental Information		Name of 501(c)(3) Organizations Benefitting from the Bonds Gaston Memorial Hospital, Incorporated (56-0619359), CaroMont Health, Inc (58-1636959), CaroMont Health Services, Inc (56-1455630)

Identifier	Return Reference	Explanation
FORM 990, PART V AND PART VII	COMMON PAYMASTER	THE FILING ORGANIZATION USES A RELATED ORGANIZATION FOR ITS PAYROLL FUNCTION ALL W-2S ARE FILED BY THE COMMON PAYMASTER HOWEVER, AMOUNTS PAID BY THE COMMON PAYMASTER ARE TREATED AS IF PAID DIRECTLY BY THE ORGANIZATION FOR WHICH SERVICES ARE PERFORMED

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

Part I Identification of Disregarded Entities

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

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
CaroMont Health 2525 Court Drive Gastonia, NC28054 58-1636959	MEDICAL SERVICES	NC	501(c)(3)	11	N/A
CaroMont Health Services 2526 Court Drive Gastonia, NC28054 56-1455630	MEDICAL SERVICES	NC	501(c)(3)	3	N/A
Gaston Memorial Hospital Foundation Inc 2527 Court Drive Gastonia, NC28054 56-1479699	FOUNDATION	NC	501(c)(3)	9	N/A
CaroMont Medical Group Inc 2528 Court Drive Gastonia, NC28054 56-1479712	MEDICAL SERVICES	NC	501(c)(3)	9	N/A
Hospice of Gaston County Inc 2529 Court Drive Gastonia, NC28054 58-1341530	Hospice Care	NC	501(c)(3)	7	N/A
Gaston Emergency Physicians Inc 2531 Court Drive Gastonia, NC28054 56-2209423	Supporting Organization	NC	501(c)(3)	11	N/A

Part III Identification of Related Organizations Taxable as a Partnership

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

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

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

Part V Transactions with Related Organizations

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

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

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

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

Part VI Unrelated Organizations Taxable as a Partnership

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

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

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 56-0619359
Name: GASTON MEMORIAL HOSPITAL INC

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

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Exempt Code section	(E) Public charity status (if 501(c)(3))	(F) Direct Controlling Entity
CaroMont Health 2525 Court Drive Gastonia, NC28054 58-1636959	MEDICAL SERVICES	NC	501(c)(3)	11	N/A
CaroMont Health Services 2526 Court Drive Gastonia, NC28054 56-1455630	MEDICAL SERVICES	NC	501(c)(3)	3	N/A
Gaston Memorial Hospital Foundation Inc 2527 Court Drive Gastonia, NC28054 56-1479699	FOUNDATION	NC	501(c)(3)	9	N/A
CaroMont Medical Group Inc 2528 Court Drive Gastonia, NC28054 56-1479712	MEDICAL SERVICES	NC	501(c)(3)	9	N/A
Hospice of Gaston County Inc 2529 Court Drive Gastonia, NC28054 58-1341530	Hospice Care	NC	501(c)(3)	7	N/A
Gaston Emergency Physicians Inc 2531 Court Drive Gastonia, NC28054 56-2209423	Supporting Organization	NC	501(c)(3)	11	N/A