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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

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

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

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

C Name of organization
AUGUSTA HEALTH CARE INC

Doing Business As
AUGUSTA HEALTH

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO BOX 1000

City or town, state or country, and ZIP + 4
FISHERSVILLE, VA 22939

D Employer identification number
54-1453954

E Telephone number
(540) 932-4685

G Gross receipts $ 264,289,199

F Name and address of principal officer
MARY MANNIX
PO BOX 1000
FISHERSVILLE,VA 22939

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 Website: ▶ WWW AUGUSTAHEALTH COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1988 | **M** State of legal domicile VA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
PROVISION OF FULL SERVICE HEALTHCARE

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
5	Total number of employees (Part V, line 2a)	5	2,460
6	Total number of volunteers (estimate if necessary)	6	332
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	4,094,515
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-322,263

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	357,955	420,954
9	Program service revenue (Part VIII, line 2g)	241,339,579	257,338,682
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-6,024,648	3,411,977
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,100,287	2,717,270
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	236,773,173	263,888,883
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	108,200	122,855
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)	107,118,722	96,361,943
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)	123,400,420	128,571,396
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	230,627,342	225,056,194
19	Revenue less expenses Subtract line 18 from line 12	6,145,831	38,832,689

		Beginning of Current Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	285,283,237	328,261,368
21	Total liabilities (Part X, line 26)	90,124,797	76,075,607
22	Net assets or fund balances Subtract line 21 from line 20	195,158,440	252,185,761

Part II Signature Block

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

Sign Here

****** | 2010-11-12
Signature of officer | Date

JOHN HEIDER CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Amy Bibby	Date	Check if self-empolyed ▶ ☐	Preparer's identifying number (see instructions)
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

1 Briefly describe the organization's mission

THE MISSION OF AUGUSTA HEALTH IS TO PROMOTE THE HEALTH AND WELL-BEING OF OUR COMMUNITY THROUGH ACCESS TO EXCELLENT CARE

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 205,772,177 including grants of $ 122,855) (Revenue $ 252,950,780)

AUGUSTA HEALTH CARE, INC IS A 501(C)(3) ORGANIZATION DOING BUSINESS AS AUGUSTA HEALTH THE ORGANIZATION INCLUDES A MEDICAL CENTER WITH 255 INPATIENT BEDS, AN EMERGENCY DEPARTMENT TREATING APPROXIMATELY 59,000 COMMUNITY MEMBERS PER YEAR, A STATE OF THE ART CANCER CENTER PROVIDING TAILOR-MADE COMPREHENSIVE CARE INCLUDING MEDICAL ONCOLOGY AND RADIATION ONCOLOGY (THIS CENTER RECEIVED FULL ACCREDIATION FROM THE AMERICAN COLLEGE OF SURGEONS COMMISSION ON CANCER IN 2009), A HOME HEALTH AND HOSPICE PROGRAM SERVING PATIENTS WHO WISH TO REMAIN AT HOME DURING THEIR TREATMENT OR FINAL DAYS, A WOUND HEALING CLINIC PROVIDING A COMPREHENSIVE TREATMENT REGIMEN FOR CHRONIC NON-HEALING WOUNDS, AND A SKILLED NURSING UNIT PROVIDING COMPREHENSIVE REHABILITATION FOR PATIENTS RECOVERING FROM ORTHOPEDIC SURGERY THE CAMPUS OF AUGUSTA HEALTH IS DESIGNED TO PROVIDE NOT ONLY HOSPITAL SERVICES BUT COMMUNITY ORIENTED SERVICES THE CAMPUS INCLUDES THE HOSPITAL PROPER, A MAJOR FITNESS CENTER, AN EDUCATIONAL BUILDING THAT HOUSES AUGUSTA HEALTH EDUCATIONAL SERVICES, A BRANCH OF A LOCAL COMMUNITY COLLEGE, A COMMUNITY BUILDING WITH LARGE CONFERENCE ROOMS AVAILABLE TO OTHER COMMUNITY ORGANIZATIONS, AND A BEHAVIORAL HEALTH BUILDING FOR THE PROVISION OF OUTPATIENT PSYCHIATRIC AND SUBSTANCE ABUSE SERVICES THIS WIDE RANGE OF FACILITIES HELPS TO SUPPORT AUGUSTA HEALTH'S VISION OF PROVIDING THE COMMUNITY WITH A FULL CONTINUUM OF HEALTH AND COMMUNITY SERVICES AUGUSTA HEALTH'S NET COMMUNITY BENEFIT FOR 2009 IS ESTIMATED TO BE $13,808,105 THIS BENEFIT CAN BE CATEGORIZED AS FOLLOWS CHARITY - $ 9,811,081 COMMUNITY HEALTH SERVICES - 730,820HEALTH PROFESSIONAL EDUCATION - 254,860SUBSIDIZED HEALTH SERVICES - 2,639,404CASH & IN-KIND CONTRIBUTIONS - 371,940

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

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

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

4e **Total program service expenses** ▶ $ 205,772,177

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 similar funds or 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, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? **Yes** **No**			
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	Yes	
13	Is the organization a school 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 United States?	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 United States? *If "Yes," complete Schedule F, Part I*	14b	Yes	
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 U S ? *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 U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	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 line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**	Yes	
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	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		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, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *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 sections 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**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

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	181		
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		
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	2,460		
b	If at least one is reported on line 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 (see instructions)		2b	Yes	
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	Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ 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 line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		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 receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		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		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**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** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . .	1a 15		
b	Enter the number of voting members that are independent . .	1b 11		
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	Yes	
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	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		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?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
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	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
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		

Section C. Disclosure

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

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 ▶

SARAH HASH-RODGERS
78 MEDICAL CENTER DR
FISHERSVILLE, VA 22939
(540) 932-4685

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

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

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

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

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

1b Total . . . . . ▶	3,613,742	0	708,858

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 41

			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 on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**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
BLUE RIDGE PATHOLOGISTS 70 MEDICAL CENTER CIR SUITE 309 FISHERSVILLE, VA 22939	PATHOLOGY SERVICES	677,781
AID - KATHRYN L KAPPES PO BOX 1096 NEW MARKET, VA 22844	COLLECTIONS/FINANCIAL	257,017
ADVANTAGE RN LLC 4184 RELIABLE PARKWAY CHICAGO, IL 60686	NURSING SERVICES	250,162
HANCOCK DANIEL JOHNSON & NAGEL P PO BOX 72050 RICHMOND, VA 23255	LEGAL SERVICES	228,198
KEVIN R THOMPSON ARBOR CYCLE LANDSCPAP 102 N SHEET STREET STAUTON, VA 24401	LANDSCAPING	163,338
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 9		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 420,954				
	g	Noncash contributions included in lines 1a-1f $ 10,471					
	h	**Total.** Add lines 1a-1f		420,954			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE RE	621,400	247,442,232	247,442,232		
	b	DME	621,400	3,202,555	3,023,835	178,720	
	c	RETAIL PHARMACY	446,110	2,928,683	1,011,900	1,916,783	
	d	FITNESS CENTER	713,940	2,511,407	1,167,804	1,343,603	
	e	CAFETERIA/VENDING	722,210	1,141,718			1,141,718
	f	All other program service revenue		112,087	112,087		
	g	**Total.** Add lines 2a–2f		257,338,682			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		3,241,717			3,241,717
	4	Income from investment of tax-exempt bond proceeds		186,009			186,009
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents	1,182,683				
	b	Less rental expenses	384,567				
	c	Rental income or (loss)	798,116				
	d	Net rental income or (loss)		798,116			798,116
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses	15,749				
	c	Gain or (loss)	-15,749				
	d	Net gain or (loss)		-15,749			-15,749
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	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	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	AFFILIATED REVENUES	900,099	1,119,398			1,119,398
	b	SPA & FOOD COURT	722,320	660,964		516,617	144,347
	c	TELEPHONE ANSWERING	900,099	138,792		138,792	
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		1,919,154			
	12	**Total revenue.** See Instructions		263,888,883	252,757,858	4,094,515	6,615,556

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	122,855	122,855		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
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	2,581,590		2,581,590	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	77,171,162	70,965,206	6,205,956	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	-497,671	-442,835	-54,836	
9	Other employee benefits	11,339,677	10,090,216	1,249,461	
10	Payroll taxes	5,767,185	5,131,729	635,456	
11	Fees for services (non-employees)				
a	Management	455,844		455,844	
b	Legal	344,964		344,964	
c	Accounting	123,762		123,762	
d	Lobbying	1,635		1,635	
e	Professional fundraising *See Part IV, line 17*				
f	Investment management fees				
g	Other	31,592,085	26,845,476	4,746,609	
12	Advertising and promotion	562,295	9,760	552,535	
13	Office expenses	29,210,654	27,938,453	1,272,201	
14	Information technology	2,222,656	2,222,056	600	
15	Royalties				
16	Occupancy	6,218,247	6,218,247		
17	Travel	387,438	338,162	49,276	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	402,100	214,713	187,387	
20	Interest	1,829,220	1,829,220		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	12,183,339	12,183,339		
23	Insurance	1,329,204	1,329,204		
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	BAD DEBTS	17,174,687	17,174,687		
b	COST OF DRUGS SOLD	13,363,507	13,363,507		
c	PHYSICIAN FEES	6,425,416	6,425,416		
d	COST OF FOOD	1,753,330	1,753,330		
e	RECRUITMENT	615,534		615,534	
f	All other expenses	2,375,479	2,059,436	316,043	
25	**Total functional expenses.** Add lines 1 through 24f	225,056,194	205,772,177	19,284,017	0
26	**Joint costs.** Check here ▶ ☐ 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		14,665,509	1	22,898,737
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		32,835,160	4	28,112,090
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		335,090	7	285,097
	8	Inventories for sale or use		3,587,684	8	4,357,343
	9	Prepaid expenses and deferred charges		1,514,962	9	1,672,796
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 232,140,201			
	b	Less accumulated depreciation	10b 128,358,149	109,330,103	10c	103,782,052
	11	Investments—publicly traded securities		111,407,158	11	156,870,847
	12	Investments—other securities See Part IV, line 11		9,878,102	12	9,014,099
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,729,469	15	1,268,307
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		285,283,237	16	328,261,368
Liabilities	17	Accounts payable and accrued expenses		49,177,642	17	37,878,482
	18	Grants payable			18	
	19	Deferred revenue		68,669	19	68,159
	20	Tax-exempt bond liabilities		39,790,000	20	37,540,000
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		1,088,486	25	588,966
	26	**Total liabilities.** Add lines 17 through 25		90,124,797	26	76,075,607
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		191,502,912	27	248,271,031
	28	Temporarily restricted net assets		3,655,528	28	3,914,730
	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		195,158,440	33	252,185,761
	34	Total liabilities and net assets/fund balances		285,283,237	34	328,261,368

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

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

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

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

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

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

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

_____

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

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

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

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

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

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

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

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

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

	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 supported organization(s)

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

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

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2008.** 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—2009.** 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—2008.** 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 a 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

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

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

Additional Data

Software ID:
Software Version:
EIN: 54-1453954
Name: AUGUSTA HEALTH CARE INC

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
E STUART CROW CHAIRMAN	1 00	X		X				0	0	0
JOHN C PETERSON VICE CHAIRMAN	1 00	X		X				0	0	0
ANN D MCPHERSON SECRETARY	1 00	X		X				0	0	0
WILLIAM L PFOST TREASURER	1 00	X		X				0	0	0
CHARLES D ANDERSON MD BOARD MEMBER	1 00	X						0	0	0
JOHN B DAVIS BOARD MEMBER	1 00	X						0	0	0
DANIEL WACHSPRESS BOARD MEMBER	1 00	X						0	0	0
ROBERT KNOWLES BOARD MEMBER	1 00	X						0	0	0
GEORGE LINDBECK MD BOARD MEMBER	1 00	X						0	0	0
BEVERLY S MORAN BOARD MEMBER	1 00	X						0	0	0
STEVE MUMBAUER BOARD MEMBER	1 00	X						0	0	0
JOSEPH RANZINI BOARD MEMBER	1 00	X						0	0	0
ARONA RICHARD BOARD MEMBER	1 00	X						0	0	0
C RANDY ROBINSON BOARD MEMBER	1 00	X						0	0	0
VICTOR SANTOS BOARD MEMBER	1 00	X						0	0	0
MARY N MANNIX PRESIDENT & CEO	40 00	X		X				394,280	0	145,962
DAVID E DEERING VICE PRESIDENT	40 00			X				297,570	0	81,566
FRED CASTELLO MD CHIEF MEDICAL OFFICER	40 00				X			296,941	0	91,404
JOHN HEIDER CFO/VP OF FINANCE	40 00				X			274,658	0	90,451
KATHLEEN HEATWOLE VP PLAN & DEVEL	40 00				X			261,660	0	51,160
SUSAN KRZASTEK VP HUMAN RESOURCES	40 00				X			205,073	0	51,054
JANET MANGUN VP MEDICAL ADMIN	40 00				X			174,392	0	42,304
KAREN C CLARK VP PROF SERVICES	40 00				X			160,352	0	49,704
JAMES WILSON ASS'T VP FACILITIES	40 00				X			153,173	0	22,560
CYNTHIA DECKER VP NURSING	40 00				X			157,626	0	4,438

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
NEYSA SIMMERS VP COMM CARE	40 00				X			199,865	0	30,060
DOUGLAS HOLROYD PHARMACIST	40 00					X		128,455	0	12,174
THOMAS DAGGY JR PHARMACIST	40 00					X		127,589	0	8,515
WILLIAM CLARK CARDIO ECHO TECH	40 00					X		125,937	0	2,712
STEVEN YUKNIEWICZ PHARMACIST	40 00					X		125,078	0	11,866
MARTIN MOREHOUSE MIS DIRECTOR	40 00					X		123,394	0	12,928
RICHARD GRAHAM PRESIDENT & CEO	40 00						X	267,647	0	0
BETTY LUCENTE CNO	40 00						X	140,052	0	0

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
NET PATIENT SERVICE RE	621,400	247,442,232	247,442,232		
DME	621,400	3,202,555	3,023,835	178,720	
RETAIL PHARMACY	446,110	2,928,683	1,011,900	1,916,783	
FITNESS CENTER	713,940	2,511,407	1,167,804	1,343,603	
CAFETERIA/VENDING	722,210	1,141,718			1,141,718

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
BAD DEBTS	17,174,687	17,174,687		
COST OF DRUGS SOLD	13,363,507	13,363,507		
PHYSICIAN FEES	6,425,416	6,425,416		
COST OF FOOD	1,753,330	1,753,330		
RECRUITMENT	615,534		615,534	

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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

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

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), then

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

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

- Section 501(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) or Form 990-EZ, line 35a (regarding proxy tax), then

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

Name of the organization	Employer identification number
AUGUSTA HEALTH CARE INC	54-1453954

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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 Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 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 For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were 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 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 **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ☐ if the filing organization belongs to an affiliated group

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		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(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 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(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 1c through 1i)?		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?	Yes		1,635
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		6,412
j	Total lines 1c through 1i			8,047
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 Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

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

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

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 (see instructions)	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	THE HOSPITAL IS A MEMBER OF THE VIRGINIA HOSPITAL ASSOCIATION (VHA) THE VHA ROUTINELY ENGAGES IN LOBBYING EFFORTS ON BEHALF OF ITS MEMBERSHIP BODY, AND A PORTION OF EACH MEMBER'S DUES ARE ALLOCATED TO THOSE LOBBYING EXPENDITURES FOR 2009, THE PORTION OF THE HOSPITAL'S DUES ALLOCATED TO LOBBYING WAS $ 6,412

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

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 for any other purpose conferring 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 a 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, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation 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 Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

		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) Accumulated depreciation	(d) Book value
1a Land	1,139,221	2,189,377		3,328,598
b Buildings		75,521,194	25,981,329	49,539,865
c Leasehold improvements		8,703,654	5,886,543	2,817,111
d Equipment		140,321,439	96,490,277	43,831,162
e Other		4,265,316		4,265,316
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				103,782,052

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests	8,924,779	C
Other OTHER INVESTMENTS	89,320	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	9,014,099	

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
UNAMORTIZED BOND ISSUANCE COSTS	1,268,307
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	1,268,307

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
OTHER LIABILITIES	319,971
UNAMORTIZED BOND DISCOUNT	268,995
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	588,966

2. Fin 48 Footnote 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	263,888,883
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	225,056,194
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	38,832,689
4	Net unrealized gains (losses) on investments	4	21,992,341
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	-1,316,661
8	Other (Describe in Part XIV)	8	-2,481,048
9	Total adjustments (net) Add lines 4 - 8	9	18,194,632
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	57,027,321

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	285,553,553
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	21,992,341		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	2,153,377		
e	Add lines **2a** through **2d**			2e	24,145,718
3	Subtract line **2e** from line **1**			3	261,407,835
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	2,481,048		
c	Add lines **4a** and **4b**			4c	2,481,048
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	263,888,883

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

1	Total expenses and losses per audited financial statements			1	225,200,714
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	237,375		
e	Add lines **2a** through **2d**			2e	237,375
3	Subtract line **2e** from line **1**			3	224,963,339
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	92,855		
c	Add lines **4a** and **4b**			4c	92,855
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	225,056,194

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Part XI, Line 8 - Other Adjustments		OTHER-THAN-TEMPORARY IMPAIRMENTS OF ASSETS -1281395 CHANGE IN FUNDED STATUS OF PENSION PLAN -1199653
Part XII, Line 2d - Other Adjustments		FOUNDATION NET INCOME -734879 GRANTS AND ALLOCATIONS NET W/ REVENUES ON FINANCIAL STATEMENTS -92855 FOUNDATION UNREALIZED GAINS ON INVESTMENTS 2787439 SHENANDOAH HOUSE REVENUES 193672
Part XII, Line 4b - Other Adjustments		CHANGE IN FUNDED STATUS OF PENSION PLAN 1199653 OTHER THAN TEMPORARY IMPAIRMENTS ON ASSETS 1281395
Part XIII, Line 2d - Other Adjustments		SHENANDOAH HOUSE EXPENSES 237375
Part XIII, Line 4b - Other Adjustments		GRANTS AND ALLOCATIONS NET W/ REVENUES ON FINANCIAL STATEMENTS 92855
		PART XI, LINE 7 EXPLANATION OF PRIOR PERIOD ADJUSTMENT ON PRIOR RETURNS, THE ORGANIZATION REPORTED THE ACTIVITY OF A DISREGARDED ENTITY, SHENANDOAH HOUSE LLC, WHOSE LEGAL OWNER IS A RELATED ORGANIZATION ACTIVITY FOR THIS ENTITY HAS BEEN TRANSFERED TO ITS OWNER FOR THE 2009 FORM 990 PRIOR PERIOD ADJUSTMENT IS TO ADJUST EQUITY TO REMOVE BEGINNING EQUITY ASSOCIATED WITH THE ACTIVITY

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** 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 **For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Schedule F-1 (Form 990) if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
Central America and the Caribbean	0	0	BUSINESS	PARTICIPATION IN CAPTIVE INSURANCE COMPANY	1,034,174
Totals . . . . . ►	0	0			1,034,174

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Use Schedule F-1 (Form 990) if additional space is needed.

1 **(a)** Name of organization	**(b)** IRS code section and EIN (if applicable)	**(c)** Region	**(d)** Purpose of grant	**(e)** Amount of cash grant	**(f)** Manner of cash disbursement	**(g)** Amount of of non-cash assistance	**(h)** Description of non-cash assistance	**(i)** Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

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

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Schedule F-1 (Form 990) if additional space is needed.

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

Part IV Supplemental Information

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

Identifier	ReturnReference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
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	Yes	
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	Yes	
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	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
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		No
6a	Does the organization prepare an annual community benefit report?	6a		No
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 Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)	1		6,820,797	0	6,820,797	3 280 %
b Unreimbursed Medicaid (from Worksheet 3, column a)	1	30,932	15,350,927	12,360,643	2,990,284	1 440 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs	2	30,932	22,171,724	12,360,643	9,811,081	4 720 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	5	30,881	730,820		730,820	0 350 %
f Health professions education (from Worksheet 5)	1	22	254,860		254,860	0 120 %
g Subsidized health services (from Worksheet 6)	3		10,907,691	8,268,287	2,639,404	1 270 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	18	16	371,940		371,940	0 180 %
j **Total** Other Benefits	27	30,919	12,265,311	8,268,287	3,997,024	1 920 %
k **Total.** Add lines 7d and 7j	29	61,851	34,437,035	20,628,930	13,808,105	0

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense (at cost)	2	6,599,680		
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	0		
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, and rationale for including other bad debt amounts in community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	98,930,839		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	103,395,049		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-4,464,210		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?		9a	Yes	
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	Yes	

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

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)
AUGUSTA HEALTH CARE INC 78 MEDICAL CENTER DR FISHERSVILLE,VA 22939	X	X					X		HOME HEALTH, SNF, PSYCH, DME, HOSPICE

Part VI Supplemental Information

Complete this part to provide the following information

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

Part III, Line 4 EXCERPT FROM 2009 FINANCIAL AUDIT, NOTE 1 PATIENT ACCOUNTS RECEIVABLE "PATIENT RECEIVABLES ARE RECORDED AT ESTABLISHED BILLING RATES WHEN PATIENT SERVICES ARE RENDERED PROVISION FOR UNCOLLECTIBLE ACCOUNTS AND CONTRACTUAL ADJUSTMENTS ARE RECORDED AS DEDUCTIONS FROM PATIENT RECEIVABLES TO REDUCE RECORDED AMOUNTS TO THEIR NET REALIZABLE VALUE CONTRACTUAL ADJUSTMENTS REPRESENT THE DIFFERENCE BETWEEN ESTABLISHED BILLING RATES AND AMOUNTS REIMBURSED THE HOSPITAL PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR ESTIMATED LOSSES RESULTING FROM THE UNWILLINGNESS OR INABILITY OF PATIENTS TO MAKE PAYMENTS FOR SERVICES THE ALLOWANCE IS DETERMINED BY ANALYZING HISTORICAL DATA AND TRENDS ACCOUNTS RECEIVABLE ARE CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS WHEN MANAGEMENT DETERMINES THAT RECOVERY IS UNLIKELY AND THE HOSPITAL CEASES COLLECTION EFFORTS "THE BAD DEBT AMOUNT LISTED IN PART III SECTION A, NUMBER 2 WAS CALCULATED USING WORKSHEET A ON PAGE 4 OF THE SCHEDULE H INSTRUCTIONS AT THIS TIME, AUGUSTA HEALTH SUBMITS THAT ITS STAFF HAS DONE ADEQUATE DUE DILIGENCE TO PREVENT CHARITY-ELIGIBLE PATIENT ACCOUNTS FROM BEING CLASSIFIED AS BAD DEBT PATIENTS ARE FORMALLY MADE AWARE OF THE FINANCIAL ASSISTANCE POLICY AS EARLY AS THEIR FIRST BILLING STATEMENT INFORMATION ABOUT THE PROGRAM AND HOW TO APPLY IS LISTED ON THE BACK OF THE STATEMENT ADDITIONALLY, FINANCIAL COUNSELORS, CUSTOMER SERVICE REPRESENTATIVES AND SOCIAL SERVICE WORKERS PROVIDE INFORMATION WHEN DISCUSSING A PATIENT'S BILL AND WHEN ESTIMATING A PATIENT'S PORTION OF AN UPCOMING BILL CURRENTLY AUGUSTA HEALTH CONTRACTS WITH A THIRD PARTY VENDOR WHO MAINTAINS STAFF ON-SITE TO ASSIST PATIENTS AND THE COMMUNITY WITH MEDICAID ELIGIBILITY INFORMALLY, PATIENTS ARE EXPOSED TO INFORMATION ABOUT THE FINANCIAL ASSISTANCE PROGRAM AT PATIENT REGISTRATION STATIONS AND BY VARIOUS SIGNAGE AND PAMPHLETS THAT ARE STRATEGICALLY PLACED THROUGHOUT THE HOSPITAL PROPER AND ITS PHYSICIAN PRACTICE AND CLINICAL LOCATIONS

Part III, Line 8 THE AREAS WITH THE LARGEST LOSSES WERE TRANSPORT, PSYCHIATRIC, REHAB, PHYSICAL THERAPY, HOME HEALTH, AND SKILLED NURSING SERVICES THESE ARE ESSENTIAL SERVICES THAT BENEFIT THE COMMUNITY AUGUSTA HEALTH BELIEVES THAT 100% OF THE LOSS IS A COMMUNITY BENEFIT THE COSTING METHOD USED IS A FULLY ALLOCATED COST UTILIZING THE STEP DOWN METHOD OF ALLOCATING OVERHEAD TO CALCULATE A PER-UNIT COST PER PROCEDURE

Part III, Line 9b IF AT ANY TIME DURING THE COLLECTION PROCESS, IT IS DETERMINED THAT THE PATIENT QUALIFIES FOR CHARITY CARE OR FINANCIAL ASSISTANCE, THE ACCOUNT IS REMOVED FROM COLLECTION AND THE BALANCE IS ADJUSTED ACCORDINGLY

PART I, LINE 7F - THESE AMOUNTS INCLUDE $30,000 EXPENSE TO SUPPORT THE NURSING PROGRAM AT BLUE RIDGE COMMUNITY COLLEGE, WEYERS CAVE, VIRGINIA, $176,832 IN EXPENSES FOR LAB TECHNICIAN TRAINING, AND $48,028 IS SCHOLARSHIP EXPENSE GIVEN TO INDIVIDUALS PURSUING CAREERS IN THE MEDICAL FIELD

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

Part VI, Line 2 THE AUGUSTA HEALTH COMMUNITY FOUNDATION FUNDED A COMMUNITY HEALTH NEEDS ASSESSMENT THE DATA INDICATED THAT CHRONIC DISEASE MANAGEMENT AND MENTAL HEALTH WERE TWO PRIORITY AREAS FOR FUTURE INITIATIVES THE FOUNDATION BEGAN ADDRESSING THESE NEEDS IN 2009 AND WILL CONTINUE TO DO SO AS LONG AS THE PROGRAMS PUT INTO PLACE CAN DEMONSTRATE EFFECTIVENESS

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

Part VI, Line 3 INFORMATION REGARDING FINANCIAL ASSISTANCE IS PRINTED ON THE BACK OF THE PATIENT'S ACCOUNT STATEMENT, SIGNAGE ABOUT THE PROGRAM AND CONTACT INFORMATION IS PROVIDED THROUGHOUT THE HOSPITAL, THE FINANCIAL POLICY AND APPLICATIONS CAN BE DOWNLOADED FROM THE AUGUSTA HEALTH WEBSITE PRINTED BROCHURES ARE PRESENT IN THE AUGUSTA MEDICAL GROUP PHYSICIAN'S OFFICES, FINANCIAL COUNSELORS ARE ON-SITE TO DISCUSS THE PROGRAM, SOCIAL SERVICES PERSONNEL COMMUNICATE THE PROGRAM TO THEIR CLIENTS, THE HOSPITAL PROVIDES ON-SITE ASSISTANCE FOR MEDICAID QUALIFICATION TO PATIENTS AND MEMBERS OF THE COMMUNITY AT NO CHARGE

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

Part VI, Line 4 AUGUSTA HEALTH SERVES A LARGE RURAL AREA THE LAND AREA OF AUGUSTA COUNTY IS APPROXIMATELY 2,000 SQUARE MILES THE POPULATION OF THE COMBINED SERVICE AREA IS APPROXIMATELY 120,000 THE SERVICE AREA INCLUDES THE CITIES OF STAUNTON AND WAYNESBORO AND THE COUNTY OF AUGUSTA CURRENTLY, OUR AREA HAS A HIGHER PERCENTAGE OF PERSONS LIVING BELOW THE POVERTY LEVEL THAN THE VIRGINIA STATE AVERAGE THE PRIMARY SERVICE AREA HAS AN INCREASING POPULATION OF ELDERLY WITH 16% OF THE POPULATION AT 65 OR OLDER COMPARED TO THE STATE AVERAGE OF 12% BY 2020, IT IS PROJECTED THAT THIS AGE GROUP WILL REFLECT 20% OF THE POPULATION IN THE SERVICE AREA, COMPARED TO THE STATE AVERAGE PROJECTION OF 15%

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

Part VI, Line 5 THE PROGRAMS OF AHC COMMUNITY HEALTH FOUNDATION ADDRESS THE COMMUNITY BUILDING NEEDS IN 2001, THE BOARD OF AUGUSTA HEALTH RECOGNIZED THAT NO ONE ORGANIZATION ALONE COULD IMPACT THE COMMUNITY AND IMPROVE COMMUNITY HEALTH TO ADDRESS THE WIDE RANGE OF NEEDS, AUGUSTA HEALTH'S BOARD CREATED THE AHC COMMUNITY HEALTH FOUNDATION THE HOSPITAL BOARD AND THE FOUNDATION BOARD HAVE TAKEN A LEADERSHIP ROLE IN COORDINATING AND ORGANIZING COMMUNITY PARTNERSHIPS TO ADDRESS SYSTEMS THAT WILL LEAD TO A HEALTHIER COMMUNITY THE COMMUNITY HEALTH FORUM, THE AUGUSTA REGIONAL DENTAL HEALTH CLINIC, THE WORKING ON WELLNESS PROGRAM, FIT FOR LIFE AND MENTORING THE NEXT GENERATION ARE ALL PROGRAMS THAT THE FOUNDATION AND THE HOSPITAL HAVE SUPPORTED OR INITIATED TO HELP CREATE AND SUSTAIN A HEALTHY COMMUNITY

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)

Part VI, Line 6 AS OF THE FILING OF THIS RETURN, AUGUSTA HEALTH HAS IDENTIFIED BUT NOT QUANTIFIED VARIOUS PROGRAMS AND SERVICES THAT ARE PROVIDED TO THE COMMUNITY AT A REDUCED FEE OR AT NO CHARGE THROUGHOUT 2010, AUGUSTA HEALTH AND ITS STAFF WILL BE WORKING TO QUANTIFY THE COMMUNITY BENEFIT OF THE FOLLOWING PROGRAMS EMERGENCY PREPAREDNESS, OPERATION MEDICINE CABINET, DRIVE THRU FLU SHOTS, TEEN MENTORSHIP, MEDICAL EXPLORERS PROGRAM, CAMP DRAGON FLY, ASTHMA SUPPORT AND EDUCATION, GAINING INDEPENDENCE FROM TOBACCO, HEALTH FAMILIES OF THE BLUE RIDGE, CANCER SCREENINGS, STROKE EDUCATION,THE SPECIAL OLYMPICS TENNIS PROGRAM, ANDCAB RIDES PROVIDED TO PATIENTS AND FAMILIES WITHOUT TRANSPORTATION

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 United States

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

▶ **Attach to Form 990**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
VIRGINIA REGIONAL TRANSIT109 N BAILEY LANE PURCELLVILLE,VA 20132	621441965	501(C)(3)	80,184				FUNDING FOR PATIENT TRANSPORTATION
BLUE RIDGE COMMUNITY COLLEGEPO BOX 80 WEYERS COVE,VA 24486	541268283	GOV'T	30,000				TO PROVIDE ASSISTANCE TO NURSING EDUCATION PROGRAMS

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

3 Enter total number of other organizations . . . ▶ 0

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

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

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

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 AUGUSTA HEALTH CONTRIBUTES TOWARD A STATE AND FEDERAL MATCHING GRANT TO VRTA CURRENTLY, AUGUSTA HEALTH PAYS 33% OF THE OPERATING COSTS FOR ONE BUS THAT SHUTTLES RESIDENTS IN WAYNESBORO AND STAUNTON TO THE HOSPITAL THIS SERVICE IS VITAL TO THE RESIDENTS OF STAUNTON AND THE AUGUSTA COUNTY, AS FOR SOME THIS IS THEIR ONLY MODE OF TRANSPORTATION TO AND FROM THE AUGUSTA HEALTH CAMPUS

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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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

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 any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
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**		
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 with respect to the filing organization or a related organization			
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			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**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**		No
	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
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
MARY N MANNIX	(i)	394,280	0	0	139,857	6,105	540,242	0
	(ii)	0	0	0	0	0	0	0
DAVID E DEERING	(i)	281,420	0	16,150	76,544	5,022	379,136	0
	(ii)	0	0	0	0	0	0	0
FRED CASTELLO MD	(i)	279,941	0	17,000	84,767	6,637	388,345	0
	(ii)	0	0	0	0	0	0	0
JOHN HEIDER	(i)	251,861	0	22,797	83,206	7,245	365,109	0
	(ii)	0	0	0	0	0	0	0
KATHLEEN HEATWOLE	(i)	173,469	0	88,191	45,523	5,637	312,820	0
	(ii)	0	0	0	0	0	0	0
SUSAN KRZASTEK	(i)	186,271	0	18,802	47,177	3,877	256,127	0
	(ii)	0	0	0	0	0	0	0
JANET MANGUN	(i)	162,340	0	12,052	38,668	3,636	216,696	0
	(ii)	0	0	0	0	0	0	0
KAREN C CLARK	(i)	153,737	0	6,615	42,849	6,855	210,056	0
	(ii)	0	0	0	0	0	0	0
JAMES WILSON	(i)	147,098	0	6,075	18,915	3,645	175,733	0
	(ii)	0	0	0	0	0	0	0
CYNTHIA DECKER	(i)	151,626	6,000	0	3,378	1,060	162,064	0
	(ii)	0	0	0	0	0	0	0
NEYSA SIMMERS	(i)	177,527	0	22,338	27,503	2,557	229,925	0
	(ii)	0	0	0	0	0	0	0
RICHARD GRAHAM	(i)	0	0	267,647	0	0	267,647	0
	(ii)	0	0	0	0	0	0	0
BETTY LUCENTE	(i)	0	0	140,052	0	0	140,052	0
	(ii)	0	0	0	0	0	0	0

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 4a	THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN FOR 2009, AS FOLLOWS THE AMOUNTS ARE REPRESENTED IN PART II, COLUMN (C) MARY MANNIX $ 38,989 JOHN HEIDER 26,339 DAVID DEERING 24,904 FRED CASTELLO 28,335 JANET MANGUN 11,085 KATHLEEN HEATWOLE 13,016 SUSAN KRZASTEK 13,579 KAREN CLARK 11,954 JAMES WILSON 6,868 THE FOLLOWING INDIVIDUALS WERE COMPENSATED IN 2009 THROUGH SEVERANCE AGREEMENTS RICHARD GRAHAM - SEE SCHEDULE J, PART II BETTY LUCENTE - SEE SCHEDULE J, PART II
	Part I, Line 6	IN 2009, THE TOP EXECUTIVES OF AUGUSTA HEALTH WERE REQUIRED TO SET ANNUAL PERFORMANCE GOALS THAT ALIGNED WITH THE ORGANIZATION'S COMMITMENT TO EXCELLENCE THE GOALS WERE ESTABLISHED WITH FOCUS ON THE FOLLOWING SIX AREAS SERVICE, QUALITY, PEOPLE, FINANCE, GROWTH AND COMMUNITY EACH GOAL WAS REQUIRED TO HAVE MEASURABLE OUTCOMES AND REVIEWED TO ENSURE THAT IT SUPPORTED THE ORGANIZATION'S QUEST FOR SERVICE AND OPERATIONAL EXCELLENCE WHILE NET EARNINGS WERE A CONSIDERATION IN THE AREA OF FINANCE, GOALS CENTERED AROUND SERVICE, QUALITY, PEOPLE, GROWTH AND COMMUNITY WERE EQUALLY CONSIDERED WHEN AWARDING INCENTIVE COMPENSATION THESE AMOUNTS WERE ACCRUED TO THE INDIVIDUALS FOR THE 2009 REPORTING YEAR, BUT WERE NOT PAID OUT UNTIL 2010 IN 2010, THE AMOUNTS WILL APPEAR AS TAXABLE INCOME TO THE RECIPIENTS THE AMOUNTS ARE INCLUDED IN PART II, COLUMN (C) THE AMOUNTS ACCRUED IN 2009 FOR EACH EXECUTIVE ARE AS FOLLOWS MARY MANNIX $ 94,743 DAVID DEERING 45,515 FRED CASTELLO 50,307 JOHN HEIDER 50,742 KATHLEEN HEATWOLE 28,177 SUSAN KRZASTEK 29,264 JANET MAGNUN 23,896 KAREN CLARK 26,919 JAMES WILSON 12,047 NEYSA SIMMERS 23,480 THE FOLLOWING INDIVIDUALS WERE INCLUDED IN THE INCENTIVE COMPENSATION PLAN, BUT AMOUNTS WERE PAID OUT AND TAXED IN 2009 THE AMOUNTS ARE INCLUDED IN PART II, COLUMN (C) CYNTHIA DECKER 6,000

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased Yes	(g) Defeased No	(h) On Behalf of Issuer Yes	(h) On Behalf of Issuer No
A	INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF AUGUSTA VA	54-1311681	05112mcp8	12-17-2003	33,510,000	SERIES 2003 HOSPITAL REFUNDING REVENUE BONDS		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	38,229,740				
2	Gross proceeds in reserve funds	4,254,319				
3	Proceeds in refunding or defeasance escrows					
4	Other unspent proceeds					
5	Issuance costs from proceeds	374,087				
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds	33,483,213				
8	Year of substantial completion	1994				

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
9	Were the bonds issued as part of a current refunding issue?	X									
10	Were the bonds issued as part of an advance refunding issue?		X								
11	Has the final allocation of proceeds been made?	X									
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X									

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X								
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X								

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?		X								
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X								
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?		X								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶										
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶										
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?		X								

Part IV Arbitrage

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

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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶**See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

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

Complete if the organization 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.

Complete if the organization 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.

Complete if the organization 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.

Complete if the organization 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: 54-1453954
Name: AUGUSTA HEALTH CARE 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**
BLUE RIDGE PATHOLOGY	BUSINESS RELATIONSHIP WITH BOARD MEMBER C RANDY ROBINSON, MD	630,615	COMPENSATION FOR PATHOLOGY SERVICES TO AUGUSTA HEALTH CARE, INC		No
HEATHER SMITH	FAMILY RELATIONSHIP WITH BOARD MEMBER E STUART CROW	49,496	COMPENSATION AS EMPLOYEE OF AUGUSTA HEALTH CARE, INC		No
BRENDA CASTELLO	FAMILY RELATIONSHIP WITH KEY EMPLOYEE FRED CASTELLO, MD	24,729	COMPENSATION AS EMPLOYEE OF AUGUSTA HEALTH CARE, INC		No
STACEY CASTELLO	FAMILY RELATIONSHIP WITH KEY EMPLOYEE FRED CASTELLO, MD	59,305	COMPENSATION AS EMPLOYEE OF AUGUSTA HEALTH CARE, INC		No
SCOTT KRZASTEK	FAMILY RELATIONSHIP WITH KEY EMPLOYEE SUSAN KRZASTEK	49,512	COMPENSATION AS EMPLOYEE OF AUGUSTA HEALTH CARE, INC		No
JENNIFER KRZASTEK	FAMILY RELATIONSHIP WITH KEY EMPLOYEE SUSAN KRZASTEK	70,278	COMPENSATION AS EMPLOYEE OF AUGUSTA HEALTH CARE, INC		No
JOE ANN DAY	FAMILY RELATIONSHIP WITH BOARD MEMBER ANN D MCPHERSON	60,185	COMPENSATION AS EMPLOYEE OF AUGUSTA HEALTH CARE, INC		No
LAUREN GEARHART	FAMILY RELATIONSHIP WITH KEY EMPLOYEE CYNTHIA DECKER	52,900	COMPENSATION AS EMPLOYEE OF AUGUSTA HEALTH CARE, INC		No

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 4		THE BYLAWS OF AUGUSTA HEALTH CARE, INC WERE AMENDED TO ALTER THE PROCEDURE OF AMENDING THE BYLAWS OF THE MEDICAL STAFF OF AUGUSTA HEALTH PREVIOUSLY, CHANGES TO THE BYLAWS OF THE MEDICAL STAFF WERE EFFECTIVE IMMEDIATELY UPON APPROVAL BY THE BOARD THE PROCESS HAS BEEN EXPANDED TO ALLOW SUGGESTIONS AND PROPOSITIONS FROM BOTH THE MEDICAL STAFF AND THE BOARD OF DIRECTORS TO BE CONCLUDED BY APPROVAL OF THE BOARD SEE BYLAWS SECTION 5 3 THE BYLAWS WERE ALSO AMENDED TO INCLUDE A PROVISION ALLOWING THE BOARD OF DIRECTORS TO ENTER INTO CONTRACTS OR EMPLOYMENT RELATIONSHIPS FOR THE PERFORMANCE OF CERTAIN HEATH CARE OR CLINICAL SERVICES AS WELL AS ADOPT CLOSED STAFF OR EXCLUSIVE USE POLICIES TO ENSURE THE QUALITY AND AVAILABILITY OF SERVICES, TO ENSURE APPROPRIATE STANDARDS OF PATIENT CARE AND WELFARE, OR TO ACHIEVE OBJECTIVES OR EFFICIENT OPERATIONS OF AUGUSTA HEALTH CARE, INC AND ITS HOSPITAL SEE BYLAWS SECTION 5 5
Form 990, Part VI, Section B, line 11		THE RETURN WAS PREPARED BY AN INDEPENDENT ACCOUNTANT WITH ASSISTANCE AND OVERSIGHT BY MANAGEMENT OF AUGUSTA HEALTH CARE INC THE CFO AND ACCOUNTING DIRECTOR OF AUGUSTA HEALTH REVIEWED THE 990 DRAFT REQUESTED CHANGES AND CORRECTIONS WERE ADDRESSED BY THE TAX PREPARER THE 2ND DRAFT OF THE RETURN WAS POSTED ON THE ORGANIZATION'S INTERNAL WEBSITE WITH ACCESS RESTRICTED TO THE BOARD ALL QUESTIONS AS A RESULT OF THIS POSTING WERE RESOLVED AND ANSWERED TIMELY
Form 990, Part VI, Section B, line 12c		THE BOARD DEVELOPMENT COMMITTEE IS CHARGED WITH REVIEWING THE CONFLICT OF INTEREST STATEMENTS EACH YEAR THE REVIEW IS CONDUCTED AFTER THE ANNUAL BOARD MEETING IN APRIL THE POLICY IS NOT DISCUSSED ON A MONTHLY BASIS, BUT IS REVIEWED AS NECESSARY AND CONSIDERED IN MANAGEMENT'S DECISION MAKING IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF THE COMMITTEES WITH BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT THOSE FOUND TO BE IN A CONFLICT OF INTEREST ARE REQUIRED TO LEAVE THE BOARD MEETING DURING DISCUSSION AND ABSTAIN FROM VOTING ON THE MATTER
Form 990, Part VI, Section B, line 15		AUGUSTA HEALTH UTILIZES THE SERVICES OF YAFFEE AND COMPANY, 409 WASHINGTON AVE , STE 700, TOWSON, MARYLAND TO DETERMINE COMPETITIVE WAGE RANGES, VARIABLE COMPENSATION AND PERQUISITES FOR EXECUTIVE POSITIONS IT IS THE GOAL OF THE AUGUSTA HEALTH BOARD TO SATISFY THE FOLLOWING OBJECTIVES 1) COMPETITIVENESS THE PROCESS MUST PRODUCE COMPENSATION AND BENEFIT LEVELS THAT ENABLE THE BOARD TO ATTRACT AND RETAIN THE MANAGEMENT LEADERSHIP ESSENTIAL TO CARRYING OUT ITS MISSION 2) STRATEGIC ALIGNMENT THE PROCESS MUST ALIGN EXECUTIVE COMPENSATION WITH THE INSTITUTION'S STRATEGIC GOALS IT MUST REWARD MANAGEMENT FOR ACCOMPLISHING THESE GOALS 3) REGULATORY COMPLIANCE THE PROCESS MUST ASSURE THAT THE INSTITUTION MEETS ITS CHARITABLE PURPOSE OBLIGATIONS TO REMAIN TAX-EXEMPT AND THEREFORE WILL REVIEW AND APPROVE ALL FORMS OF EXECUTIVE COMPENSATION AND BENEFITS IN A MANNER NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER THE INTERMEDIATE SANCTIONS RULES OF SECTION 4958 OF THE IRC SO AS TO AVOID THE IMPOSITION OF INTERMEDIATE SANCTIONS IN THE FORM OF EXCISE TAXES PENALTIES ON ITS TRUSTEES AND EXECUTIVES 4) PUBLIC TRUST BOARD MEMBERS ARE INVESTED WITH A PUBLIC TRUST TO SHEPHERD INSTITUTIONAL ASSETS AS RESPONSIBLE FIDUCIARIES AND REPRESENTATIVES THEREFORE, THE PROCESS MUST ASSURE THAT COMPENSATION AND BENEFIT LEVELS ARE REASONABLE, NOT EXCESSIVE, AND DEFENSIBLE IF AND WHEN SUBJECTED TO PUBLIC SCRUTINY THE BENCHMARKS USED ARE 50TH OR 60TH PERCENTILE OF SIMILAR POSITIONS IN PEER INSTITUTIONS FOR EXPERIENCED PROFESSIONALS SENIOR EXECUTIVES ARE ELIGIBLE FOR VARIABLE COMPENSATION THE TOTAL OF SALARY AND VARIABLE COMPENSATION WILL NOT BE MORE THAN THE 75TH PERCENTILE COMPENSATION, INDIVIDUAL PERFORMANCE AND COMPETITIVE DATA ARE REVIEWED ANNUALLY FOR ALL EXECUTIVE POSITIONS AS FOLLOWS CEO CNO COO VP COMMUNITY SERVICES SR VP MEDICAL AFFAIRS VP MEDICAL ADMINISTRATION CFO VP HUMAN RESOURCES VP PLANNING AVP FACILITIES VP PROFESSIONAL SERVICES ON JULY 29TH, 2009 THE BOARD OF DIRECTORS RECEIVED A FULL REPORT FROM THE EXECUTIVE COMMITTEE ON THE FULL COMPENSATION PROGRAM AT AUGUSTA HEALTH IN AN EXECUTIVE SESSION OF THE BOARD CONFLICTED MEMBERS WERE EXCUSED FROM THE MEETING MATERIAL COVERED INCLUDED THE DESIGN OF THE COMPENSATION PROGRAM, AS WELL AS ACTUAL BASE SALARIES, MARKET BENCHMARK DATA, AND INCENTIVE COMPENSATION EARNED BY EACH EXECUTIVE ADDITIONALLY, PREREQUISITES SUCH AS THE SERP PROGRAM AND OTHER RELATED BENEFITS WERE REVIEWED WITH THE BOARD FOR THOSE MEMBERS WHO WERE NOT PRESENT FOR THIS MEETING AND REMAINED FREE OF CONFLICT OF INTEREST, THE CHAIRMAN OF THE BOARD PRESENTED THE SAME MATERIAL IN A SEPARATE SESSION
Form 990, Part VI, Section C, line 18		PHOTOCOPIES OF THE FORM 990 ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ACCOUNTING OFFICE IN ADDITION, RECENT FILINGS OF THE FORM 990 ARE AVAILABLE ONLINE AT WWW GUIDESTAR ORG
Form 990, Part VI, Section C, line 19		COPIES OF THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND AUDITED FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ACCOUNTING OFFICE PLEASE DIRECT ALL REQUESTS TO AUGUSTA HEALTH CARE, INC ATTN DIRECTOR OF ACCOUNTING P O BOX 1000 FISHERSVILLE, VA 22939-1000

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
AUGUSTA HEALTH CARE INC

Employer identification number
54-1453954

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
AHC COMMUNITY HEALTH FOUNDATION PO BOX 1000 FISHERSVILLE, VA 22939 54-2042365	SUPPORTING ORGANIZATION	VA	501(c)(3)	Line 11a, I	N/A
AUGUSTA MEDICAL GROUP PO BOX 1000 FISHERSVILLE, VA 22939 26-2559916	HEALTHCARE	VA	501(c)(3)	Line 9	N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
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	Yes	
c Gift, grant, or capital contribution from other organization(s)	1c		No
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		No
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	Yes	
l Performance of services or membership or fundraising solicitations by other organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets	1m	Yes	
n Sharing of paid employees	1n	Yes	
o Reimbursement paid to other organization for expenses	1o		No
p Reimbursement paid by other organization for expenses	1p		No
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r		No

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)	AHC COMMUNITY HEALTH FOUNDATION	M	144,204
(2)	aHC COMMUNITY HEALTH FOUNDATION	K	160,249
(3)	AUGUSTA MEDICAL GROUP	L	2,243,083
(4)			
(5)			
(6)			

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

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

(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? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproprtionate allocations? Yes	(f) No	(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No

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TY 2009 Earnings and Profits Other Adjustments Statement

Name: AUGUSTA HEALTH CARE INC

EIN: 54-1453954

Description	Amount
RELATED PARTY PREMIUMS	-6,499,689
RELATED PARTY UNDERWRITING EXP	4,966,006