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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 07-01-2009 and ending 06-30-2010

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
GASTON MEMORIAL HOSPITAL INC

Doing Business As

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

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

D Employer identification number
56-0619359

E Telephone number
(704) 834-2000

G Gross receipts $ 383,769,132

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

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW CAROMONT ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1945

M State of legal domicile NC

Part I Summary

Activities & Governance

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

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
5	Total number of employees (Part V, line 2a)	5	3,091
6	Total number of volunteers (estimate if necessary)	6	192
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	925,418
b	Net unrelated business taxable income from Form 990-T, line 34	7b	140,661

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	455,641	373,678
9	Program service revenue (Part VIII, line 2g)	363,285,894	378,127,914
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	104,775	112,375
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,408,753	5,155,165
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	368,255,063	383,769,132
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	42,500	88,799
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)	158,413,435	157,119,443
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)	189,145,978	200,992,995
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	347,601,913	358,201,237
19	Revenue less expenses Subtract line 18 from line 12	20,653,150	25,567,895

		Beginning of Current Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	296,184,905	324,420,647
21	Total liabilities (Part X, line 26)	314,205,955	314,318,521
22	Net assets or fund balances Subtract line 21 from line 20	-18,021,050	10,102,126

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

****** | 2011-03-30
Signature of officer | Date

DAVID O'CONNOR CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Amy Bibby | Date | Check if self-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

To provide exceptional healthcare to the communities we serve

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 $ 337,036,111 including grants of $ 88,799) (Revenue $ 378,216,050)

CAROMONT HEALTH PROVIDES INPATIENT, OUTPATIENT, EMERGENCY, AND SURGICAL SERVICES TO THE RESIDENTS OF GASTON COUNTY AND SURROUNDING AREAS AT ITS 435-LICENSED BED HOSPITAL, GASTON MEMORIAL HOSPITAL PLEASE SEE SCHEDULE O FOR A CONTINUATION OF OUR PROGRAM SERVICE ACCOMPLISHMENTS

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** ▶ $ 337,036,111

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? *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		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the 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**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	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**		No
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	288		
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	3,091		
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			No
b	If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes" to 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 14		
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		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
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	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

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

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

☐ Own website ☑ Another's website ☑ Upon request

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

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

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

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

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

1a Complete this table for all persons required to be listed 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 . . . . . ▶	6,474,055	225,445	1,972,948

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 ▶ 104

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
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
SHARED (SIEMENS) MEDICAL SOLUTIONS 51 VALLEY STREAM PARKWAY MALVERN, PA 19355	INFORMATION SYSTEMS	4,568,728
MORRISON MANAGEMENT SPECIALISTS INC 3 WACHOVIA CENTER STE 3000 401 S CHARLOTTE, NC 28202	FOOD SERVICES MANAGEMENT	4,100,943
ARAMARK CTS 12483 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	BIOMED SERVICES	2,306,054
GASTON ANESTHESIA ASSOCIATES PO BOX 601713 CHARLOTTE, NC 28260	CRNA SERVICES	1,867,323
REHABCARE GROUP 7733 FORSYTH BLVD STE 1700 ST LOUIS, MO 63105	OP REHAB SERVICES	1,376,032
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 ▶ 51		

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	172,894			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	200,784			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		373,678			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES REVEN	621,500	376,617,160	376,180,414	436,746	
	b	PARTNERSHIP INCOME	541,900	800,617	764,619	35,998	
	c	IMAGING REVENUE	621,500	428,637		428,637	
	d	LINEN/LAUNDRY	541,900	97,200	73,163	24,037	
	e	NURSING OUTREACH	621,500	87,504	87,504		
	f	All other program service revenue		96,796	96,796		
	g	**Total.** Add lines 2a–2f		378,127,914			
	3	Investment income (including dividends, interest and other similar amounts)		111,538			111,538
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		837			
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)		837			
	d	Net gain or (loss)		837			837
Other Revenue	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	CAFETERIA & VENDING IN	722,210	2,255,812			2,255,812
	b	PHARMACY REVENUE	621,500	2,076,656			2,076,656
	c	DISCOUNTS & REBATES	621,500	481,068	481,068		
	d	All other revenue		341,629	35,703		305,926
	e	**Total.** Add lines 11a–11d		5,155,165			
	12	**Total revenue.** See Instructions		383,769,132	377,719,267	925,418	4,750,769

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	88,799	88,799		
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	10,239,710	2,864,392	7,375,318	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	127,597	127,597		
7	Other salaries and wages	119,305,641	114,890,068	4,415,573	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	18,036,801	16,470,656	1,566,145	
10	Payroll taxes	9,409,694	8,558,798	850,896	
11	Fees for services (non-employees)				
a	Management	5,251,589	5,251,589		
b	Legal	2,192,896	31,133	2,161,763	
c	Accounting	158,855		158,855	
d	Lobbying	23,922		23,922	
e	Professional fundraising *See Part IV, line 17*				
f	Investment management fees				
g	Other	27,705,287	25,126,483	2,578,804	
12	Advertising and promotion	881,379	133,438	747,941	
13	Office expenses	2,442,474	1,789,358	653,116	
14	Information technology	247,094	247,094		
15	Royalties				
16	Occupancy	8,718,047	8,715,894	2,153	
17	Travel	102,367	57,999	44,368	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	533,641	268,905	264,736	
20	Interest	9,285,762	9,285,762		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	26,706,067	26,706,067		
23	Insurance	2,627,482	2,627,482		
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	UBI TAX	-5,415		-5,415	
b	MEDICAL SUPPLIES	66,616,455	66,529,460	86,995	
c	BAD DEBT	40,397,974	40,397,974		
d	EQUIPMENT	5,201,236	5,163,868	37,368	
e	RECRUITING	968,469	850,247	118,222	
f	All other expenses	937,414	853,048	84,366	
25	**Total functional expenses.** Add lines 1 through 24f	358,201,237	337,036,111	21,165,126	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		-14,801	1	-3,285
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		35,522,404	4	33,966,858
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		4,975,910	8	5,676,105
	9	Prepaid expenses and deferred charges		7,006,967	9	7,706,644
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 477,025,151			
	b	Less accumulated depreciation	10b 269,748,931	208,555,162	10c	207,276,220
	11	Investments—publicly traded securities		3,110,334	11	17,892
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		306,912	13	349,220
	14	Intangible assets		2,311,646	14	2,311,646
	15	Other assets See Part IV, line 11		34,410,371	15	67,119,347
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		296,184,905	16	324,420,647
Liabilities	17	Accounts payable and accrued expenses		45,447,702	17	34,757,005
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		225,406,834	20	219,898,498
	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		43,351,419	25	59,663,018
	26	**Total liabilities.** Add lines 17 through 25		314,205,955	26	314,318,521
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		-18,021,050	27	10,102,126
	28	Temporarily restricted net assets			28	
	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		-18,021,050	33	10,102,126
	34	Total liabilities and net assets/fund balances		296,184,905	34	324,420,647

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
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

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: 56-0619359
Name: GASTON MEMORIAL HOSPITAL 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			
James R Beam Director	1 00	X						0	0	0
H Spurgeon Mackie Jr Chairman	1 00	X						0	0	0
Dr Robert D Crouch Secretary	1 00	X						0	0	0
Richard K Craig Director	1 00	X						0	0	0
Mary Frances Forrester Director	1 00	X						0	0	0
Kelvin C Harris MD Director	1 00	X						0	225,445	18,524
William K Gary Sr Director	1 00	X						0	0	0
James H Howard Jr Treasurer	1 00	X						0	0	0
Sheila S Reilly PhD Vice Chairman	1 00	X						0	0	0
Barry M Pomeroy Past Treasurer	1 00	X						0	0	0
Mickey Price Director	1 00	X						0	0	0
Dr Kathy Drum Director	1 00	X						0	0	0
David Allen Smith Director	1 00	X						0	0	0
Dr H Clayton Thomason III Chief-of-Staff	1 00	X						27,900	0	0
Johnathan D Williams MD Past Chief-of-Staff	1 00	X						30,000	0	0
Vincent Quinn Director	1 00	X						0	0	0
Robert H Blalock Jr Past Chairman	1 00	X						0	0	0
Wayne F Shovelin CEO THROUGH SEPT	40 00			X				1,972,052	0	712,653
David O'Connor CFO/Asst Treasurer	40 00			X				579,283	0	174,861
Maria Long VP General Counsel/Asst S	40 00			X				355,765	0	121,679
Valinda L Rutledge CEO AS OF OCT	40 00			X				257,892	0	43,500
Terry L Jones EVP/CAO	40 00				X			632,609	0	206,916
JAMES D Huber VP MEDICAL SERVICES	40 00				X			540,103	0	158,668
STEVEN A RUBIN VP PRACTICE MANAGEMENT	40 00				X			372,256	0	129,844
W K HARWELL VP PATIENT CARE SERVICES	40 00				X			375,060	0	166,459

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			
ANDREA K SERRA VP Wellness	40 00				X			319,224	0	117,066
MICHAEL R JOHNSON AVP, CIO	40 00					X		225,386	0	32,995
SHARILYN J REESE Corporate Controller	40 00					X		215,723	0	23,375
DAVID S MCSWAIN Clinical Pharmacist	40 00					X		207,913	0	23,504
LAURA W SWANSON Clinical Pharmacist	40 00					X		179,839	0	13,646
RICHARD C BLACKBURN AVP Support Services	40 00					X		183,050	0	29,258

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
PATIENT SERVICES REVEN	621,500	376,617,160	376,180,414	436,746	
PARTNERSHIP INCOME	541,900	800,617	764,619	35,998	
IMAGING REVENUE	621,500	428,637		428,637	
LINEN/LAUNDRY	541,900	97,200	73,163	24,037	
NURSING OUTREACH	621,500	87,504	87,504		

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
UBI TAX	-5,415		-5,415	
MEDICAL SUPPLIES	66,616,455	66,529,460	86,995	
BAD DEBT	40,397,974	40,397,974		
EQUIPMENT	5,201,236	5,163,868	37,368	
RECRUITING	968,469	850,247	118,222	

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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
GASTON MEMORIAL HOSPITAL INC	56-0619359

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?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		23,922
j	Total lines 1c through 1i			23,922
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	Annual dues were paid to the North Carolina Hospital Association and the American Hospital Association, of which $23,922 was determined to be expenditures used in lobbying activities by these organizations

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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
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or 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		1,654,070		1,654,070
b Buildings		260,481,793	107,501,851	152,979,942
c Leasehold improvements				
d Equipment		203,290,825	157,712,158	45,578,667
e Other		11,598,463	4,534,922	7,063,541
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				207,276,220

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		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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

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

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

(a) Description	(b) Book value
PREPAID PENSION OBLIGATION	26,368,035
DEFERRED FINANCING COSTS	5,941,413
OTHER RECEIVABLES	3,754,574
457B PLAN ASSETS	3,169,112
DEFERRED CHARGE - INTEREST RATE SWAP	27,886,213
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	67,119,347

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
457B PLAN LIABILITY	3,169,112
ESTIMATED 3RD PARTY SETTLEMENTS	28,584,396
CAPITAL LEASE OBLIGATION	23,294
INTEREST RATE SWAP LIABILITY	27,886,216
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	59,663,018

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	383,769,132
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	358,201,237
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	25,567,895
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	2,555,281
9	Total adjustments (net) Add lines 4 - 8	9	2,555,281
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	28,123,176

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	381,751,209
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-2,017,923		
e	Add lines **2a** through **2d**			2e	-2,017,923
3	Subtract line **2e** from line **1**			3	383,769,132
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	383,769,132

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

1	Total expenses and losses per audited financial statements			1	358,201,237
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			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	358,201,237
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			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	358,201,237

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		EQUITY TRANSFER -16869616 RESTATEMENT OF INTEREST SWAP 19424897
Part XII, Line 2d - Other Adjustments		FOUNDATION TRANSFER -2017923

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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
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

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	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
	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)			13,481,041		13,481,041	4 240 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			59,098,761	45,226,075	13,872,686	4 370 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			830,248	754,731	75,517	0 020 %
d **Total** Charity Care and Means-Tested Government Programs			73,410,050	45,980,806	27,429,244	8 630 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			891,846	2,390	889,456	0 280 %
f Health professions education (from Worksheet 5)			922,681	5,000	917,681	0 290 %
g Subsidized health services (from Worksheet 6)			3,922,430	3,422,139	500,291	0 160 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			261,074		261,074	0 080 %
j **Total** Other Benefits			5,998,031	3,429,529	2,568,502	0 810 %
k **Total.** Add lines 7d and 7j			79,408,081	49,410,335	29,997,746	9 440 %

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			623,913		623,913	0 200 %
9	Other						
10	**Total**			623,913		623,913	0 200 %

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	13,775,512		
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	874,183		
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	118,789,448		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	100,267,511		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	18,521,937		
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)
GASTON MEMORIAL HOSPITAL INCORPORATED 2525 COURT DRIVE GASTONIA, NC 28054	X	X					X		6 OUTPATIENT CLINICS, 3 DIAGNOSTIC CENTERS

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

See additional data

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

See additional data

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 The organization notifies patients by distributing brochures and/or verbal communication with staff that include, Registrars, Financial Counselors, and Benefit Eligibility Specialists The organization has developed a program to assist uninsured and underinsured community members with enrollment in public programs Seven employees assist individuals with enrollment in Medicaid, NC Health Choice, Medicare, Crime Victims program, food stamps, vocational rehab, public housing, Wal-Mart prescription program, meals on wheels and adult services at DSS In FY2010, the cost of this program was $403,387

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

See additional data

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

See additional data

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)

See additional data

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

See additional data

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

NC

Additional Data

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

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 3c Regardless of income, assets are also used to determine if a patient qualifies for Charity The primary residence on up to (1) acre of land, one automobile for each working aged adult, and other assets, including but not limited to, retirement funds, investments and other financial assets, cash value of life insurance policies, and equity in property or real assets, totaling up to $25,000 are exempt from consideration as assets in determining Charity Care eligibility Annual income from property of real assets will be deducted from the amount of equity in the asset when calculating the exemption

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7 The costing methodology used is a cost accounting system All patient segments are accounted for All costs are from the system, no cost to charge ratios were used in the calculations

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7g These costs do not include any amounts associated with a physician's clinic

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 7f $40,397,973 Bad Debt Expense removed from total expenses prior to calculating Percent of Total Expense

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 4 Allowances for uncollectible accounts are computed based on statistical information from current and prior years' experience The System grants credit to patients without collateral, substantially all of whom are from the surrounding area The system described in part 1 line 7 was used for Part III line 2 Total charges and the charges written off to bad debt were tabulated at the patient level The detailed cost of the patient was multiplied by the ratio of charges written off/total charges per patient to assign the cost to the patient Because of this cost based method, discounts and payments would be the difference between the total charges and the charges written off to bad debt Rationale for Part III, Lines 2 and 3 - Charges written off to charity/bad debt in the Emergency Room are subject to means testing If the patient qualifies Schedule H Part VI Page 2 under the charity care policy the account is written off The reminder of the hospital is subject to application for charity and if no application is filed, the unpaid amount becomes bad debt The uninsured qualifying patient % in the ER was applied to the remainder of the hospital to determine the amount of bad debt that could have been charity The amount was at the charge level, and the cost to charge ratio for the internally costed bad debt was used to determine the cost associated with those charges

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 8 The Medicare Cost report standard costing methodology is followed when filing the cost report This is a step down methodology that applies the average patient cost to Medicare patients, thus understating the true cost

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part III, Line 9b The policy does contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance Below is verbiage from the policy Charity - Gaston Memorial Hospital offers medical services free or at a reduced rate through the Charity Care Program Determination of full or partial Charity Care will be based on the patient's income, family size, and assets Potential eligibility exists only after reimbursement efforts from all other third party resources, federal, state, and local assistance programs have been exhausted Expired Patients - Patients, including out of county residents, who have died, have no estate, and have no responsible spouse are deemed to have no income for the purpose of determining Charity Care eligibility

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Part I, Line 6a The organization community benefit report made available to the public contains community benefits for all related organizations to the hospital

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Part VI, Line 2 At CaroMont Health, we are in love with life That love of life is a dynamic force that is making its way from each employee and volunteer in our organization out into our community-touching the lives of every person we serve Community priorities are established through a number of mechanisms a Leadership opinions are sought to help identify needed services in the community Telephone surveys are conducted on a periodic basis to gather opinions from residents in the service area The most recent study was completed in the spring of 2009 b Patient satisfaction data is analyzed to determine where and/or how services need to be improved c Service area data (vital statistics, demographics and utilization) are analyzed for trends This information is coordinated with public health data to determine voids and service area health problems d Findings from community surveys/reports published by other organizations (United Way, Chamber of Commerce, Partnership for Children, Gaston County, etc) are gathered and reviewed for pertinence to community health problems e Gaston Memorial Hospital through the Gaston County Healthcare Commission in conjunction with the Gaston County Health Department conducts a Community Assessment every four years The most recent study was Fall, 2008) This assessment gathers opinions and is combined with public health data to determine the top four community-wide health issues Service area strengths, weaknesses and opportunities are used as a basis for establishing community priorities All this information is used to establish organizational priorities, identify agencies and organizations to be involved in resolving community issues, and implement programs to resolve identified issues Goals, objectives and strategies are established and the progress is evaluated on an annual basis f Board members, senior management and department directors are involved in numerous organizations Through this network of relationships, further information about the community and the needs of area residents and organizations are used in the development of programs and services available though CaroMont Health

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

Part VI, Line 4 The organization's primary service area is Gaston County, North Carolina Its secondary service area includes the counties of Cleveland and Lincoln in North Carolina and York in South Carolina The primary service area is urban with an estimated population of 208,958 in 2009 There are no other acute care hospitals in Gaston County For the fiscal year ended June 30, 2010, Medicaid patients comprised 17 2% of the hospital's gross charges and Uninsured patients comprised 7 8% of the hospital's gross charges According to the U S Census Bureau, 15 1% of the persons in Gaston County were below poverty level in 2008 According to the U S Department of Health and Human Services, there are two medically underserved service areas in Gaston County

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

Part VI, Line 5 Gaston Memorial Hospital Foundation The Gaston Memorial Hospital Foundation (a subsidiary of CaroMont Health) was established in 1985 The primary purpose of the Foundation is to provide funding for health care projects and services within the Health Care System and in the community The Foundation also solicits and receives donations and administers two scholarship funds for students pursuing health related careers In addition to the Foundation utilizing its investment earnings for donations, CaroMont Health donates up to 10% of its operating income to the GMH Foundation each year Gaston Memorial Hospital Foundation actively supports Gaston Family Health Services (GFHS), a federally qualified healthcare clinic providing medical and dental services to the uninsured and underinsured population of Gaston County This clinic is important to assuring that the uninsured and underinsured have access to health care in Gaston County During fiscal year 2010, the Foundation donated $480,778 to GFHS CaroMont Health is committed to assisting GFHS in providing for these patients who might otherwise go without primary care services Gaston Community Healthcare Commission In 1992 the Gaston Community Healthcare Commission (GCHC) was established with Gaston Memorial Hospital as a sponsoring organization The GCHC has been a certified Healthy Carolinian Task Force since 1994 The purpose of this organization is to develop a workable community-wide agenda through a problem solving network of organizations and individuals to improve health status of Gaston County As a designated Healthy Carolinian Task Force, initiatives have to be coordinated by a Board that is representative of the community, and document the impact that its initiatives have on health status Since 1998, the following organizations have had a permanent position on the GCHC Gaston Memorial Hospital, Gaston County Health Department, Gaston/Lincoln/Cleveland Mental Health Authority, Gaston Family Health Services, Gaston County Department of Social Services, Gaston County School System, Gaston College and Gaston Emergency Medical Services The 25 member GCHC Board directed the activities of seven initiatives that were undertaken to improve health status These efforts focused on improving the health of children, assisting residents of all ages to make better life styles choices, and improving access and decreasing the cost of medical services During 2003 the GCHC was transferred to Gaston Together Gaston Together allows the GCHC to have broader exposure in the community, and greater ability to seek grants to assist with the implementation of the numerous initiatives, while taking a broader advocacy position for addressing local health issues The GCHC has been identified as the point organization for addressing health issues as a part of Gaston County's Vision 2012 Vision 2012 is a collaborative effort between Gaston County and the Gaston County Chamber of Commerce to implement initiatives for addressing economic development, infrastructure development, housing, safety, social/arts, and health issues All of these actions have resulted in a stronger Board and community involvement for GCHC in order to continue to address health related issues Workforce Development CaroMont Health identifies and fills the health care provider needs of the community The physician recruitment department is led by a Director of Physician Recruiter who oversees the Department of Physician Services, recruits physicians and physician extenders as needed and maintains open communication with all those involved in recruitment process Enviromental Improvements CaroMont Health has made great strides to become more eco-friendly Some of these improvements include a Recycling 300,000 lbs of cardboard b Recycling 990,205 lbs of office paper c Recycling 190,000 lbs of metal d Recycling fluorescent Lamps e Began Plastic bottle recycling 2009 - estimated volume 5000lbs f Established internal office paper collection system g Began rechargeable battery recycling program h Donated 100's of pc's and monitors to local schools and churches (reduced need to destroy)

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

Part VI, Line 6 EVENTSHealthcare Career Day CaroMont Health holds this an annual event fo r middle and high school students who are interested in a career in healthcare During thi s fair, students have the opportunity to interact with CaroMont Health professionals and l earn about their particular careers Departments who are take part include Respiratory Car e, Surgical Services, Rehab Services, Imaging Services, and Pharmacy, Food and Nutrition S ervices, and others Over 100 students typically attend this event from all over Gaston Co unty CaroMont Health Heart Walk This is an annual charity event sponsored by CaroMont Heal th is held to raise money for the Heart Society of Gaston County The purpose of the Heart Walk charity event is to (1) Increase awareness of cardiovascular disease and promote a h eart healthy lifestyle by encouraging exercise (2) Collect monetary donations to support the programs of the Heart Society of Gaston County which include medication assistance for persons with heart disease, cholesterol and blood pressure screenings for the public and cardiovascular health education programs for school children and the public More than 400 walkers turned out for the May 2010 event where more than $14,000 was raised for the cause Commissioner's School of Excellence Each summer, the Gaston County Board of Commissioner funds a two-week residential experience for rising 10th graders at Belmont Abbey College The Commissioners' School of Excellence (CSE) offers a variety of hands-on activities and seminars designed to help participants better understand Gaston County, and their own role s as future leaders During this two-week session, some of these students who have express ed an interest in health care visit the hospital for a tour of the facility and to learn m ore about prospective careers They get to interact with health care professionals in the Laboratory, Food and Nutrition Services and Imaging Services Camp Summer Breeze is a week -long day camp for children with asthma It combines traditional camp activities with asth ma education in a medically supervised environment The camp is held at Camp Rotary in wes tern Gastonia The July 2009 camp had 20 campers and junior volunteers Children who canno t afford the tuition are given scholarships, and no campers have ever been turned away Ca mpers are given daily instruction on managing their disease, including hands-on training i n how to properly measure their peak flows, proper inhaler use, and helpful breathing tech niques The CaroMont Candlelight 8K was held in O ctober 2009 to raise money to provide pres cription medications to patients via HealthNet Gaston It was a "fall festival" event, whi ch included an eight kilometer road race and a two mile fun run Both began and ended on C aroMont's campus This event received the endorsement of the Gastonia City Council, as wel l as cooperation and in-kind support from the NC Department of Transportation and the Gast onia Police Department With more than 50 CaroMont employee volunteers and 700 runners, th e event raised nearly $21,000 for HealthNet Gaston The CaroMont Cancer Center held several programs and events for Breast Cancer Survivors including a Pink Ribbon Luncheon with a p anel of experts to answer questions about Breast Health, Pink Ribbon Club which is a suppo rt group for survivors, Pink Ribbon Dinner and Expo that offers an educational session and expo of "pink ribbon" merchandise The Annual Prostate Screening is held at Gaston Memori al Hospital every year Men who fall within the screening guidelines as indicated by the A merican Cancer Society are eligible for a free screening that includes a digital rectal ex am and Prostate Screening Assessment The men are also provided with prostate education an d prevention HealthNet Gaston HealthNet Gaston (HNG) is a program designed to provide com prehensive health care services to low-income, uninsured residents of Gaston County Its s ervices include a medical home/primary care physician services, specialty physician servi ces, medication assistance, case management/health coaching activities, and hospital servi ces HNG operates through the leadership and collaboration of its four founding strategic partners, including Gaston Memorial Hospital, Gaston Family Health Services, Community He alth Partners, Gaston Community Health Care Commission Other strategic partners involved with this initiative include community physicians, Gaston County Department of Social Serv ices, Gaston County Health Department, and other local leaders Flu Prepardeness CaroMont Health provided significant community leadership and service during the H1N1 flu pandemic of 2009-2010 Numerous CaroMont Health staff members were recruited to provide vaccination s for Gaston County school children, and to staff community vaccination clinics CaroMont employees - including nurses, medical assistants and security personnel - contributed near ly 500 hours for these vaccination clinics In add

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

ition, CaroMont provided in-kind support for planning and coordinating with our community partners In February 2010, Gaston County Commissioners presented commendations to CaroMon t Health, Gaston County Health Department, Gaston College, Gaston County Schools, and Gast on Emergency Management Services for "outstanding contributions protecting the health of t he people of Gaston County during the 2009 H1N1 flu response "HEALTH PROFESSIONS EDUCATION Students from more than twenty-five colleges and universities ranging from two-year progra ms to traditional four-year programs to Masters level programs receive all or part of thei r clinical training at various Health Care System facilities Disciplines include nursing , counseling, occupational therapy, clinical pastoral education, respiratory therapy, para medic - basic and emergency medical technicians, laboratory technology, medical office adm inistration, physical therapist assistant, phlebotomy, radiographic technology, recreation al therapy, therapeutic recreation, health services and information management, nurse midw ifery, family nurse practitioner, neonatal nursing, communication sciences and disorders, cardiovascular interventional technology, radiation therapy, social work, pharmacy, and ph ysical therapy In 2002, the Hospital established a partnership with the University of Nor th Carolina - Charlotte ("UNCC") School of Nursing entitled CaroMont Health and the Univer sity of North Carolina at Charlotte Student Partnership This partnership provides funding for a clinical facilitator and class supplies and has allowed UNCC to increase its class enrollment by ten nursing school students in their junior and senior years The students h ave a classroom at the Hospital and clinical rotations take place throughout CaroMont Heal th CASH AND IN-KIND CONTRIBUTIONSThe organization makes contributions to many community ag encies In FY2010, cash donations were made to over 30 community groups and/or events In addition, the organization allows classroom space to be used by community groups and donat es medical supplies and office supplies to various local and international organizations

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

Part VI, Line 7 CaroMont Health's vision is to be a nationally recognized leader and valued partern in promoting individual health and vibrant communities CaroMont Health in Gastonia, North Carolina is a regional, independent, not-for-profit health care system It encompasses Gaston Memorial Hospital with 435-beds, Courtland Terrace, a 96-bed skilled nursing facility, Gaston Hospice which includes the 12-bed Robin Johnson House inpatient facility and palliative care facility, CaroMont Medical Group, a network of primary and specialty physician offices in five counties and two states, and CaroMont Specialty Surgery, a freestanding ambulatory surgery center

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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
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" 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
GASTONIA GRIZZLIESPO BOX 177 GASTONIA,NC 28053	421554288	N/A	5,500		FMV		COMMUNITY ASSISTANCE
COMMUNITY FOUNDATION OF GASTON COUNTY991 W HUDSON BLVD GASTONIA,NC 28052	581340834	501(C)(3)	15,000		FMV		COMMUNITY ASSISTANCE
GASTONIA DOWNTOWN DEVELOPMENT CORPPO BOX 2396 GASTONIA,NC 28053	560840699	501(C)(3)	5,500		FMV		COMMUNITY ASSISTANCE
GASTON COUNTY FAMILY YMCA615 WEST FRANKLIN BLVD GASTONIA,NC 28052	560655420	501(C)(3)	7,500		FMV		COMMUNITY ASSISTANCE

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

3 Enter total number of other organizations . . . ▶ 1

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 OTHER ORGANIZATIONS THAT RECEIVE GRANT FUNDS MAY BE REQUIRED TO SUBMIT MONTHLY REPORTS THAT ARE MONITORED BY MANAGEMENT AND/OR THE BOARD OF DIRECTORS ALL GRANTS DECISIONS ARE DOCUMENTED

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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
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☑ Travel for companions ☐ Payments for business use of personal residence ☑ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If 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**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☑ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
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**	Yes	
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
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				
Kelvin C Harris MD	(i)	0	0	0	0	0	0	0
	(ii)	161,539	61,856	2,050	0	18,524	243,969	0
Wayne F Shovelin	(i)	642,828	394,994	934,230	577,417	135,236	2,684,705	922,287
	(ii)	0	0	0	0	0	0	0
David O'Connor	(i)	311,111	121,980	146,192	135,558	39,303	754,144	132,010
	(ii)	0	0	0	0	0	0	0
Maria Long	(i)	204,730	71,010	80,025	91,791	29,888	477,444	78,135
	(ii)	0	0	0	0	0	0	0
Valinda L Rutledge	(i)	145,002	112,500	390	31,876	11,624	301,392	0
	(ii)	0	0	0	0	0	0	0
Terry L Jones	(i)	317,938	102,793	211,878	145,175	61,741	839,525	194,604
	(ii)	0	0	0	0	0	0	0
JAMES D Huber	(i)	282,610	105,745	151,748	126,760	31,908	698,771	148,138
	(ii)	0	0	0	0	0	0	0
STEVEN A RUBIN	(i)	220,154	87,145	64,957	81,654	48,190	502,100	53,423
	(ii)	0	0	0	0	0	0	0
W K HARWELL	(i)	209,766	79,742	85,552	85,931	80,528	541,519	77,812
	(ii)	0	0	0	0	0	0	0
ANDREA K SERRA	(i)	183,620	73,870	61,734	77,183	39,883	436,290	59,535
	(ii)	0	0	0	0	0	0	0
MICHAEL R JOHNSON	(i)	195,465	27,397	2,524	32,995	0	258,381	0
	(ii)	0	0	0	0	0	0	0
SHARILYN J REESE	(i)	187,419	27,146	1,158	23,375	0	239,098	0
	(ii)	0	0	0	0	0	0	0
DAVID S MCSWAIN	(i)	177,095	0	30,818	23,504	0	231,417	0
	(ii)	0	0	0	0	0	0	0
LAURA W SWANSON	(i)	176,807	0	3,032	13,646	0	193,485	0
	(ii)	0	0	0	0	0	0	0
RICHARD C BLACKBURN	(i)	146,401	20,050	16,599	29,258	0	212,308	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 1a	Travel for Companions - If a spouse or companion is expected to attend an event, it must be approved in advance and the expenses of the spouse or companion will be treated as taxable compensation and added to the employee's W2 or a 1099 will be issued at the end of the calendar year During FY 2010 this benefit was provided to the CEO and some board members Tax indemnification and gross-up payments - Reimbursement for certain taxable benefit costs (i e cell phones) will be grossed up for any tax obligations Health or social club dues or initiation fees - A percentage of personal use of dues payments for membership in a health or fitness club or a social or recreational club will be added to the employee's W-2 at the end of the calendar year During FY 2010 this benefit was provided to the CEO and CFO
	Part I, Line 4a	Wayne F Shovelin, CEO participates in a Supplemental Salary Continuation Retirement Plan Gross payments for 2010 were $5,914,998 Please refer to the Schedule O disclosure for Part VI, Section B, Line 15 for more detail
	Part I, Line 6	Certain CaroMont Medical Group Inc Physician's Compensation packages are based on the individual physician's net results from operations as calculated based soley on his/her net charges less his/her allocable share of clinic overhead costs Executive Incentive Compensation Plan for all key employees based on the achievement of annual Business Objectives and Financial Performance of the consolidated system Manager Incentive Plan based on consolidated corporate and individual performance goals

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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
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	65820HVF7	01-23-2003	120,000,000	NEW CONSTRUCTION, PURCHASE CAPITAL EQUIPMENT, PARTIAL ADVANCE REFUNDING		X		X
B	NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	65820HA94	01-01-2008	118,400,000	RENOVATION OF HOSPITAL, PURCHASE OF CAPITAL EQUIPMENT, CURRENT REFUNDING		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	120,405,450	118,628,201			
2	Gross proceeds in reserve funds	21	17,871			
3	Proceeds in refunding or defeasance escrows					
4	Other unspent proceeds					
5	Issuance costs from proceeds	4,642,069	2,471,189			
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds	96,734,224	29,562,598			
8	Year of substantial completion	2007	2009			

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

Part III Private Business Use

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X						
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		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		X						
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		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		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 ▶		0 %		0 %						
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 ▶		0 %		0 %						
6	Total of lines 4 and 5		0 %		0 %						
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

Part IV Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X						
2	Is the bond issue a variable rate issue?	X		X							
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X		X							
b	Name of provider	MERRILL LYNCH CAPITAL SERVICES		MERRILL LYNCH DERIVATIVE PRODUCTS							
c	Term of hedge	31 6000000000000		21 0000000000000							
4a	Were gross proceeds invested in a GIC?		X		X						
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X		X						
6	Did the bond issue qualify for an exception to rebate?		X		X						

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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
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

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

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	(c) Corrected? 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	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? 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	(e) Sharing of organization's revenues? No
LUCINDA DAVIS	FAMILY MEMBER OF DIRECTOR, JAMES BEAM	54,150	COMPENSATION AS EMPLOYEE		No
BARBARA WILLIAMS	FAMILY MEMBER OF DIRECTOR, JOHNATHAN WILLIAMS	35,963	COMPENSATION AS EMPLOYEE		No
GENA POMEROY	FAMILY MEMBER OF DIRECTOR, BARRY POMEROY	37,484	COMPENSATION AS EMPLOYEE		No
CAROLINA ORTHAPAEDIC & SPORT MEDICINE CENTER PA	ENTITY MORE THAN 5% OWNERSHIP BY CLAYTON THOMAS, III	242,296	AGREEMENT FOR PROVISION OF IMAGING SERVICES TO THE ORGANIZATION		No

Additional Data

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

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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 GASTON MEMORIAL HOSPITAL INC
Employer identification number 56-0619359

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The organization's Form 990 is reviewed by the Audit Finance Investment Committee of the Board of Directors prior to presentation to the full Board before the Form is filed with the IRS

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

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		The CEO, CFO/Assistant Treasurer and General Counsel/Assistant Secretary are compensated for their services by CaroMont Health, Inc The compensation of all CaroMont executives for each year is established by the Compensation Committee of the CaroMont Health Board of Directors, based on guidance and opinions provided by an independent, third-party compensation consultant Board members who serve on the Compensation Committee are independent and free of any conflict of interest Any Compensation Committee member who develops a conflict of interest during his/her term with respect to the discussion of any executive's compensation leaves the meeting and does not participate in the discussion or decision-making by the remaining independent members of the Compensation Committee The Compensation Committee retains jurisdiction over the total compensation package for executives and reviews executive benefits and perquisites as well as total cash compensation Compensation for the CEO is established through a process of dialogue with the CEO, comparison with comparable market data and determination by the Compensation Committee of acceptable salary range and percentile ranking All compensation decisions for the CEO are recommended by the Compensation Committee and approved by the Board of Directors Compensation for all other executives is established through a process of dialogue between the CEO and the executive, comparison with comparable market data and determination by the CEO of acceptable salary range and percentile ranking All compensation decisions for executives are recommended by the CEO and approved by the Compensation Committee Full collected compensation information and any compensation opinions provided during these processes will be kept with the Compensation Committee or Board minutes, as applicable In 2009, the Board of Directors, by and through the Compensation Committee, conducted two detailed reviews of the retirement benefit to be paid to its retiring CEO In conducting these reviews, the Compensation Committee worked internally on evaluation of the retiring CEO's performance during his 33-year tenure with the organization The Compensation Committee concluded that in the areas of finance and quality measures, the retiring CEO's performance consistently exceeded expectations and has positioned CaroMont Health as a leader in the region His performance in the area of patient satisfaction has, in the mission-critical area of emergency services, exceeded the Board of Director's expectations Overall, and over the arc of his career at CaroMont, the retiring CEO's leadership has led CaroMont Health from a mere community hospital into a regional healthcare powerhouse The Committee concluded that his leadership had outperformed the region and fulfilled the community's desire to keep its healthcare system under local control, thereby justifying his retirement payment as fair and reasonable compensation for outstanding performance

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

Identifier	Return Reference	Explanation
Schedule K Supplental Information		THREE 501(C)(3) ORGANIZATIONS WITHIN THE PARENT-SUBSIDIARY CONTROLLED GROUP BENEFIT FROM THE BONDS AS FOLLOWS GASTON MEMORIAL HOSPITAL, INC (56-0619359), CAROMONT HEALTH, INC (58-1636959), CAROMONT HEALTH SERVICES, INC (56-1455630) GASTON MEMORIAL HOSPITAL, INC HOLDS THE LIABILITY FOR THE BONDS, PER AUDITED FINANCIAL STATEMENTS

Identifier	Return Reference	Explanation
		SCHEDULE K, PART II, LINE 5 BOND (A) CREDIT ENHANCEMENT INSURANCE $ 3,386,000 OTHER ISSUANCE COSTS 1,256,069 BOND (B) CREDIT ENHANCEMENT INSURANCE $ 1,553,717 OTHER ISSUANCE COSTS 917,472

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4A	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	The vision of CaroMont Health is to be a nationally recognized leader and valued partner in promoting individual health and vibrant communities STRATEGY AND OBJECTIVES CaroMont Health undertakes a comprehensive assessment of its services every three to five years to determine strategic changes required to address the changing healthcare environment, and thus the overall program directions that need to be pursued On an annual basis, goals and objectives are established that will allow progress towards the desired direction Many of CaroMont Health's Fiscal Year 2010 objectives related to activities to improve the health of the community, including 1 Develop an aggressive growth strategy to include - Leverage existing vertical and horizontal integration - Identify and establish partnerships to create compelling value propositon 2 The Focus of CaroMont Health's Growth Strategy - Enhance brand presence in key secondary market locations - Expand access points for care - Portals for new referrals - Emphasize urgent and primary care (right care, right place, right time) - Design to provide coordinated and accountable care - Link cross-referrals, interventions, health management and wellness - Utilize e-technology; 24/7 connectivity and relationship-building - Create a "personally remarkable" individualized care experience In addition, several of CaroMont Health's business objectives focused on improving the quality of care provided to our patients Examples are - Support continued development of a "safety net" program to provide "medical home" and medical services to qualified uninsured residents of Gaston County - Complete requirements for JCAHO Certification for Disease- Specific Care Certification Program for Joint, Stroke, Heart Failure, Inpatient Diabetes, and Hip and Knee Replacement - Participating in, and/or sponsoring/cosponsoring 10 or more healthcare related community events or programs that contribute to improving the health and wellness status of the communities we serve - Participating in at least 48 speaking engagements or promotions regarding various CaroMont Health services and programs - Conduct or participate in wellness health screenings within the community and/or places of employment - Assess the benefit of establishing a Level II Trauma Program based on community need and physician input - Enhance/expand the scope of our cardiovascular service - Develop a multi-disciplinary representation of physician councils to facilitate physician leadership development, provide a forum for evaluating and aligning new services, enhance care coordination, sharpen our focus and streamline the health care operating system HEALTHNET GASTON HealthNet Gaston (HNG) is a program designed to provide comprehensive health care services to low-income, uninsured residents of Gaston County Its services include a medical home/primary care physician services, specialty physician services, medication assistance, case management/health coaching activities, and hospital services HNG operates through the leadership and collaboration of its four founding strategic partners, including Gaston Memorial Hospital, Gaston Family Health Services, Community Health Partners, Gaston Community Health Care Commission Other strategic partners involved with this initative include community several physicians, Gaston County Department of Social Services, Gaston County Health Department, and other local leaders During fiscal year 2010, the hospital provided $8,761,805 and the employed physicians provided $680,715 of uncompensated care to the HNG patients UNITED WAY CaroMont Health is a pace setter organization for United Way and in fiscal year 2010, employees pledged $157,877 to United Way Since 1990, CaroMont Health has donated a 10% match of the United Way employee pledges to the employee hardship fund on an annual basis Funds are distributed to CaroMont Health employees who experience an unforeseen catastrophic event (for example, fire, serious accident, etc) during the year GASTON COMMUNITY HEALTHCARE COMMISSION In 1992 the Gaston Community Healthcare Commission (GCHC) was established with Gaston Memorial Hospital as a sponsoring organization The GCHC has been a certified Healthy Carolinian Partnership since 1994 The purpose of the organization is to develop a workable community-wide agenda through a problem solving network of organizations and individuals to improve health status of Gaston County residents As a certified Healthy Carolinian Partnership, initiatives are based on the most recent Community Health Assessment, coordinated by Board that is representative of the community, and document the impact that these initatives have on health status Since 1998, the following organizations have had a permanent position on the GCHC: Gaston Memorial Hospital, Gaston County Health Department, Pathways, Gaston Family Health Services, Gaston County Department of Social Services, Gaston County School System, Gaston College, United Way, Gaston Regional Chamber, Medical Society, and Gaston Emergency Medical Services The 25 member GCHC Board directed the activities of seven initiatives that are undertaken to improve health status These efforts focus on improving the health of children, assisting residents of all ages to make healthier life styles choices, improving access to medical care, and decreasing the cost of medical services During 2003 the administration of the GCHC was transferred to Gaston Together Gaston Together allows the GCHC to have broader exposure in the community, build greater volunteer participation, and greater ability to seek grants to assist with the implementation of their numerous initiatives, while taking a broader advocacy position for addressing local health issues The GCHC has been identified as the point organization for addressing health issues as a part of Gaston County's Vision 2020 Facilitated by Gaston Together, Vision 2020 is a collaborative community effort to implement initiatives addressing economic development, infrastructure development, housing, safety, social/arts, and health issues to position Gaston County for the future All of these actions have resulted in a stronger Board and community involvement for GCHC in order to continue to improve the health status of the residents of Gaston County CaroMont Health has significantly impacted its community in providing many different health improvement projects, groups, events, education programs, etc

Identifier	Return Reference	Explanation
		HEALTH INSURANCE ENROLLMENT PROGRAMS Gaston Memorial Hospital has developed a program to assist uninsured and underinsured community members with enrollment in public programs Seven employees assist individuals with enrollment in Medicaid, NC Health Choice, Medicare, Crime Victims program, food stamps, vocational rehab, public housing, Wal-Mart prescription program, meals on wheels and adult services at DSS at an annual cost of $403,387 The primary service area of CaroMont Health is Gaston County in North Carolina However, because of the regional nature of multiple services and/or programs that are provided through the organization, we provide a substantial amount of health care services to residents outside Gaston County These out of county residents primarily come from Cleveland and Lincoln Counties in North Carolina, as well as York and Cherokee Counties in South Carolina In fiscal year 2010, Gaston Memorial Hospital provided over $72 million of uncompensated care services to patients who had no insurance representing 7 8% of total services provided In addition, the hospital provided over $159 million in services to Medicaid patients, representing 17 2% of the total services provided No funding is received by CaroMont Health from Gaston County to provide this uncompensated care Services are provided to all Gaston County residents, regardless of their ability to pay All programs are funded from excess working capital On occasion grants are received from The Duke Endowment, local foundations, federal or state agencies for specific programs, such as assistance with the start-up of parish nurse ministries, assistance with bioterrorism readiness, and the Breast Health Navigator position Community priorities are established through a number of mechanisms - Leadership opinions are sought to help identify needed services in the community - Telephone surveys are conducted on a periodic basis to gather opinions from residents in the service area - Patient satisfaction data is analyzed to determine where and/or how services need to be improved - Service area data (vital statistics, demographics and utilization) are analyzed for trends This information is coordinated with public health data to determine voids and service area health problems - Findings from community surveys/reports published by other organizations (United Way, Chamber of Commerce, Partnership for Children, Gaston County, etc) are gathered and reviewed for pertinence to community health problems - Gaston Memorial Hospital through the GCHC in conjunction with the Gaston County Health Department conducts a Community Assessment every four years This assessment gathers opinions and combines with public health data to determine the top four community-wide health issues - Service area strengths, weaknesses and opportunities are used as a basis for establishing community priorities All this information is used to establish organizational priorities, identify agencies and organizations to be involved in resolving community issues, and implement programs to resolve identified issues Goals, objectives and strategies are established and the progress is evaluated on an annual basis - Board members, senior management and department directors are involved in numerous organizations Through this network of relationships, further information about the community and the needs of area residents and organizations are used in the development of programs and services available though CaroMont Health Health Professionals Education CaroMont Health provides over $925,113 for the following educational activities Precepting - UNCC, GWU, Queens AD, CPCC, Kaplan, CUSP (Admin Support) CUSP (Administrative Support) Pharmacy Practice Residency (Pharmacy) Preceptor - GC Dietary (Administrative Support) Preceptor - California College of Health Sciences (Admin Support) Preceptor - ASU (Administrative Support) Preceptor MOC - UNCC (Administrative Support) Preceptng/Mentor (Pharmacy) Precepting - Pharmacy -Wingate College Student (Pharmacy) Preceptor - Gardner Webb University (Administrative Support) Coordinated Nursing Assistant Instructor Orientation (Education Svcs) Precepting - Wingate College Student (Pharmacy - March - April 2010) Pharmacy Student #2 Mentoring - Wingate (Pharmacy) Pharmacy Student Mentoring-UNC Student #2 (Pharmacy) Pharmacy Student Mentoring-UNC Student #1 (Pharmacy) New Graduate Welcome Receptions (Administrative Support) Preceptor - Queens (Administrative Support) Pharmacy Student #1 Mentoring - Wingate (Pharmacy) Preceptor - Certified Clinical Medical Asst (Administrative Support) Lincoln-Cleveland Nurses Celebration (Executive Offices) Coordinated Gaston City Schools Allied Science Education Program (Education Services) Gaston Co Education Foundation BOD (Executive Offices) IC Training (Administrative Support) Financial contributions and in-kind contributions totaling $742,201 cover a wide array of community events and activities such as Gaston Regional Chamber Economic Development Dept Dues (Exec Offices) Daniel Stowe Botanical Gardens Holiday Lights (Executive Offices) Gaston County Family YMCA (Marketing) Gaston Regional Chamber Annual Dues (Executive Offices) Community Foundation Sponsorship for Simms Award (Exec Offices) Boys Scouts of America (Marketing) NC Chamber Annual Membership (Executive Offices) Mt Holly Springfest (Marketing) Gaston Regional Chamber (Marketing) Gaston Literacy Council Inc (Marketing) Gaston Chamber Salute to Manufacturing (Marketing) First Friday Focus-Gaston Regional Chamber (Marketing) March of Dimes Ambassador Avenue Sponsor (Marketing) Heart Society's 2010 Heart Ball Patron Level Donation (Marketing) Bessemer City Chamber Annual membership (Executive Offices) Heart Society 2010 Golden Heart Award Sponsor (Marketing) Gaston Chamber 2009 Economic Forecast Luncheon (Marketing) Gaston Regional Chamber 2010 Planning Retreat (Marketing) Gastonia Jaycees (Marketing) Advanced Home Care Infusion Services (Patient Care) Gastonia Civitan Club Dues (Executive Offices) Advanced Home Care Annual Charity Golf (GMH) Belmont Abbey Corporate Annual membership (Executive Offices) Montcross Area Chamber of Commerce (Marketing) Catawba River Womens Group (Marketing - FY2010) United Way Women's Luncheon Table Sponsor (Marketing) South Point High School Baseball Tournament Sponsor Gastonia Grizzlies Annual Baseball Camp Sponsorship Gastonia Grizzlies HMI Sponsored Grizzly Baseball Camp Classroom space for Community Groups (Education Services) Samaritan's Purse - donation of medical supplies (Housekeeping) Framed Artwork to Junior League of Gaston County (Housekeeping) Giveaways for Cleveland County Fair (Marketing) Hand sanitizers to Taste of Gaston Event (Marketing) Refreshments for Cancer Center holiday concert (Marketing) Ink pens to Living Well after Lung Cancer program (Marketing) Personal Computer to Gaston County YMCA (Information Systems) Community Building Activities - Staff provide time and expertise to Workforce Development - Physician Recruitment

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

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ 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
GASTON MEMORIAL HOSPITAL INC

Employer identification number
56-0619359

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
CaroMont Health 2525 Court Drive Gastonia, NC 28054 58-1636959	MEDICAL SERVICES	NC	501(c)(3)	Line 11b, II	N/A
CaroMont Health Services 2526 Court Drive Gastonia, NC 28054 56-1455630	OUTPATIENT SERVICES	NC	501(c)(3)	Line 3	N/A
Gaston Memorial Hospital Foundation Inc 2527 Court Drive Gastonia, NC 28054 56-1479699	FOUNDATION	NC	501(c)(3)	Line 9	N/A
CaroMont Medical Group Inc 2528 Court Drive Gastonia, NC 28054 56-1479712	MEDICAL GROUP	NC	501(c)(3)	Line 9	N/A
Hospice of Gaston County Inc 2529 Court Drive Gastonia, NC 28054 58-1341530	Hospice Care	NC	501(c)(3)	Line 7	N/A
Gaston Emergency Physicians Inc 2531 Court Drive Gastonia, NC 28054 56-2209423	Supporting Organization	NC	501(c)(3)	Line 11a, I	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.)

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

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

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)			
(2)			
(3)			
(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?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data

Return to Form

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

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

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