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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

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07/01, **2010**, and ending 06/30, **20** 11

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

C Name of organization
PIEDMONT HEALTHCARE INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1968 PEACHTREE ROAD NW

City or town, state or country, and ZIP + 4
ATLANTA, GA 30309-1285

D Employer identification number
58-1503902

E Telephone number
(404) 425-1303 EXT N/A

G Gross receipts $ 47,592,791.

F Name and address of principal officer R TIMOTHY STACK
1968 PEACHTREE ROAD NW ATLANTA, GA 30309

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)

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

J Website ▶ WWW.PIEDMONT.ORG

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1983 | **M** State of legal domicile GA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PIEDMONT HEALTHCARE, INC., ("PHC") IS ORGANIZED EXCLUSIVELY FOR THE BENEFIT OF, TO MANAGE THE FUNCTIONS OF, AND TO CARRY OUT CHARITABLE, SCIENTIFIC, AND EDUCATIONAL PURPOSES OF ITS SUBSIDIARY ORGANIZATIONS.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	15.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10.
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	0.
6	Total number of volunteers (estimate if necessary)	6	0.
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	218,032.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	56,663.	75,964.
9	Program service revenue (Part VIII, line 2g)	42,825,638.	46,511,340.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	-332,213.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	956,549.	1,133,672.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	43,838,850.	47,388,763.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	24,408,895.	24,446,855.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	20,433,659.	20,021,912.
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	44,842,554.	44,468,767.
19	Revenue less expenses Subtract line 18 from line 12	-1,003,704.	2,919,996.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	234,002,622.	290,394,775.
21	Total liabilities (Part X, line 26)	112,319,794.	370,269,258.
22	Net assets or fund balances Subtract line 21 from line 20	121,682,828.	-79,874,483.

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Part II Signature Block

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

Sign Here

▶ Signature of officer — Date 5/15/12

▶ EVP / CFO, PIEDMONT HEALTHCARE
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Claire Steinke	Claire Steinke	Date 05/15/2012	Check if self-employed ▶ ☐	PTIN P00988049
Firm's name ▶ ERNST & YOUNG U.S. LLP			Firm's EIN ▶ 34-6565596	
Firm's address ▶ 55 IVAN ALLEN JR BLVD STE 1000 ATLANTA, GA 30308			Phone no 404-874-8300	

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

SCANNED JUN 22 2012

For Paperwork Reduction Act Notice, see the separate instructions Form **990** (2010)

JSA
0E1010 1 000

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Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission
PIEDMONT HEALTHCARE, INC., ("PHC") IS ORGANIZED EXCLUSIVELY FOR THE BENEFIT OF, TO MANAGE THE FUNCTIONS OF, AND TO CARRY OUT CHARITABLE, SCIENTIFIC, AND EDUCATIONAL PURPOSES OF ITS SUBSIDIARY ORGANIZATIONS.

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 $ 38,577,520 including grants of $ 0) (Revenue $ 46,973,501)
PIEDMONT HEALTHCARE, INC. ("PHC"), IS THE TAX-EXEMPT PARENT OF ITS PUBLICLY SUPPORTED SUBSIDIARIES (LISTED IN SCHEDULE R ATTACHED). PHC PROVIDES CENTRALIZED PLANNING, FINANCIAL MANAGEMENT, AND ADVISORY SUPPORT TO ITS SUBSIDIARIES, RESULTING IN GREATER OPERATING EFFICIENCIES AND ALLOWING ITS SUBSIDIARY ORGANIZATIONS TO BETTER PROVIDE OUTSTANDING HEALTHCARE AND EDUCATION TO THEIR SURROUNDING COMMUNITIES.

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 ▶ 38,577,520.

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	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *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		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
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		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	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*	11b		X
c	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*	11c		X
d	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*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	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 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
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 (see instructions)*	17		X
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		X
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		X
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
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		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		X
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	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* [X] Yes [ ] 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		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V. X

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	169		
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	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b			
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		X	
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		X	
b	If "Yes," enter the name of the foreign country ▶ CAYMAN ISLANDS				
	See instructions for 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			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	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			X
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			X
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			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . .	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . .	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	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			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b			

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

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 1a 15			
b	Enter the number of voting members included in line 1a, above, who are independent 1b 10			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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		X
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		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
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	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, 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		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ GA,

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

☐ Own website ☐ Another's website ☒ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ CHARLIE HALL 1968 PEACHTREE ROAD NW ATLANTA, GA 30309-1285
404-425-1303

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

Check if Schedule O contains a response to any question in this Part VII X

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

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

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

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
ATTACHMENT 1										
(1) DR. WILLIAM A. BLINCOE CHAIRMAN	1.00	X		X				0.	594,499.	43,187.
(2) MR. WM. RONALD DUFFEY BOARD MEMBER	1.00	X						0.	0	0.
(3) MR. R. TIMOTHY STACK PRESIDENT AND CEO	48.00	X		X				1,007,429.	0	106,921.
(4) DR. PATRICK M BATTEY BOARD MEMBER	1.00	X						0.	455,170.	34,430.
(5) MS. JANINE BROWN VICE CHAIRMAN	1.00	X						0.	0	0.
(6) MR. MICHAEL D. GARRETT BOARD MEMBER	1.00	X						0.	0	0.
(7) MR. R. GLENN HILLIARD BOARD MEMBER	1.00	X						0.	0	0.
(8) MR. JAMES F. KELLEY BOARD MEMBER	1.00	X						0.	0	0.
(9) DR. HARRY M. MCFARLING BOARD MEMBER	1.00	X						0.	0	0.
(10) DR. PATRICIA H. MEADORS BOARD MEMBER	1.00	X						0.	0	0.
(11) MR. RODERICK D. ODOM, JR. BOARD MEMBER	1.00	X						0.	0	0.
(12) DR CHARLES W WICKLIFFE BOARD MEMBER	1.00	X						0.	541,154.	41,189.
(13) MR. E. JENNER WOOD, III BOARD MEMBER	1.00	X						0.	0	0.
(14) MS. LILA HERTZ BOARD MEMBER	1.00	X						0.	0	0.
(15) DR. FRANK N. COLE BOARD MEMBER	1.00	X						0.	0	0.
(16) MR. CHARLIE HALL TREASURER/EVP CHIEF FINANCIAL	48.00			X				610,821.	0	83,119.

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(17) MS. DEBBIE GRAMLING SECRETARY	48.00			X				148,811.	0.	32,636.
(18) MR. GREG HURST EVP CHIEF OPERATING OFFICER	51.00				X			880,367.	0.	191,733.
(19) MR. JAY MITCHELL EVP GENERAL COUNSEL	55.00				X			563,049.	0.	76,942.
(20) DR. LEIGH HAMBY EVP CHIEF QUALITY OFFICER	55.00				X			583,012.	0.	79,727.
(21) MR. ED LOVERN EVP CHIEF ADMIN OFFICER	55.00				X			506,885.	0.	55,428.
(22) MR. JOSEPH HERZBERG VP HUMAN RESOURCES ADMIN	55.00					X		540,776.	0.	75,499.
(23) MR. KENNETH SCHWARTZ VP CORPORATE COMPLIANCE	55.00					X		419,718.	0.	15,805.
(24) MS. NANCY SHIFLET VP TREASURY	55.00					X		300,233.	0.	60,862.
(25) MR. RONNIE BROWNSWORTH EVP/CEO OF PIEDMONT CLINIC	55.00					X		608,334.	0.	13,779.
(26) MR. MARK PASQUALE CHIEF INFORMATION OFFICER	55.00					X		367,833.	0.	60,317.
(27)										
(28)										
1b Sub-total ▶								6,537,268.	1,590,823.	971,574.
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								6,537,268.	1,590,823.	971,574.

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 ▶ 98

		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		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

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

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

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 30

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	75,964			
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h **Total** Add lines 1a-1f		75,964			
Program Service Revenue		**Business Code**				
	2a COST OF CAPITAL ALLOCATION	900099	20,987,844	20,987,844		
	b MANAGEMENT SERVICES TO AFFILIATES	561000	25,523,496	25,523,496		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		46,511,340			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		-203,058			-203,058
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real / (ii) Personal				
	6a Gross Rents 680,193					
	b Less rental expenses 0					
	c Rental income or (loss) 680,193					
	d Net rental income or (loss)		680,193	462,161	218,032	0
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	74,873				
	b Less cost or other basis and sales expenses	204,028				
	c Gain or (loss)	-129,155				
	d Net gain or (loss)		-129,155	-129,155	0	0
	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		0			
	9a Gross income from gaming activities See Part IV, line 19 a					
	b Less direct expenses b					
	c Net income or (loss) from gaming activities		0			
	10a Gross sales of inventory, less returns and allowances a					
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory		0			
	Miscellaneous Revenue	**Business Code**				
	11a RESEARCH REVENUE		453,479			453,479
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d		453,479			
	12 **Total revenue** See instructions		47,388,763	46,844,346	218,032	250,421

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	0.			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	4,926,880.		4,926,880.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	15,591,628.	15,591,628.	0.	0.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0.			
9 Other employee benefits	3,928,347.	3,928,347.	0.	0.
10 Payroll taxes	0.			
11 Fees for services (non-employees)				
a Management	0.			
b Legal	964,367.	0.	964,367.	0.
c Accounting	0.			
d Lobbying	0.			
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	0.			
12 Advertising and promotion	979,796.	979,796.	0.	0.
13 Office expenses	132,393.	132,393.	0.	0.
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	740,342.	740,342.	0.	0.
17 Travel	0.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	6,697,332.	6,697,332.	0.	0.
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	6,781,373.	6,781,373.	0.	0.
23 Insurance	0.			
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a PURCHASED SERVICES	3,726,309.	3,726,309.	0.	0.
b				
c				
d				
e				
f All other expenses			0.	0.
25 Total functional expenses Add lines 1 through 24f	44,468,767.	38,577,520.	5,891,247.	0.
26 Joint Costs Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing			1	
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net			4	
	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)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 98,517,952.			
	b	Less accumulated depreciation	10b 68,268,682.	22,208,698.	10c	30,249,270.
	11	Investments - publicly traded securities			11	
	12	Investments - other securities See Part IV, line 11			12	
	13	Investments - program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		211,793,924.	15	260,145,505.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		234,002,622.	16	290,394,775.
Liabilities	17	Accounts payable and accrued expenses		11,485,167.	17	15,260,638.
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	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		2,145,946.	23	1,978,831.
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		98,688,681.	25	353,029,789.
	26	**Total liabilities.** Add lines 17 through 25		112,319,794.	26	370,269,258.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34**				
	27	Unrestricted net assets		121,682,828.	27	-79,874,483.
	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		121,682,828.	33	-79,874,483.
	34	Total liabilities and net assets/fund balances		234,002,622.	34	290,394,775.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	47,388,763.
2	Total expenses (must equal Part IX, column (A), line 25)	2	44,468,767.
3	Revenue less expenses Subtract line 2 from line 1	3	2,919,996.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	121,682,828.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-204,477,307.
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-79,874,483.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			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		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	X	
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 separate basis, consolidated basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
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		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
PIEDMONT HEALTHCARE INC	58-1503902

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		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 supported organization? 11g(i)		X
(ii)	A family member of a person described in (i) above? 11g(ii)		X
(iii)	A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		X

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
(A) ATTACHMENT 1									
(B)									
(C)									
(D)									
(E)									
Total									20,189,243.

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III If the organization fails to qualify under the tests listed below, please complete Part III)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2010.** 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 - 2009.** If the organization did not check a 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 - 2010.** 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 - 2009.** 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 Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II If the organization fails to qualify under the tests listed below, please complete Part II)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10 a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19 a **33 1/3 % support tests - 2010.** 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 - 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

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

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10, Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information (See instructions).

ATTACHMENT 1

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES	(IV) NO	(V) YES	(V) NO	(VI) YES	(VI) NO	(VII) AMOUNT OF SUPPORT
PIEDMONT HOSPITAL, INC	58-0566213	03	X		X		X		12,852,819
FAYETTE COMMUNITY HOSPITAL INC DBA PIEDMONT FAYETTE HOSPITAL	58-2322328	03	X		X		X		5,284,618
PIEDMONT MOUNTAINSIDE HOSPITAL, INC	35-2228583	03	X		X		X		1,136,408
PIEDMONT NEWNAN HOSPITAL, INC	20-5077249	03		X	X		X		915,398
PIEDMONT HEART INSTITUTE, INC	26-3553500	07		X	X		X		0
TOTAL AMOUNT OF SUPPOPT									20,189,243

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

2010

Open to Public Inspection

Name of the organization

PIEDMONT HEALTHCARE INC

Employer identification number

58-1503902

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 can 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 education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 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 Tax 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, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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 acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

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

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

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

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

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

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

		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 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 Net investment earnings, gains, and 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 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		820,769.		820,769.
b Buildings		8,629,959.	4,851,138.	3,778,821.
c Leasehold improvements		33,459.	931.	32,528.
d Equipment		79,851,183.	63,416,613.	16,434,570.
e Other		9,182,582.	0.	9,182,582.
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c))* ▶				30,249,270.

Schedule D (Form 990) 2010

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
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total *(Column (b) must 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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total *(Column (b) must 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
(1) INVESTMENT FAYETTE COMM HOSP	43,679,729.
(2) INVEST PIED MOUNTAINSIDE HOSP	43,407,781.
(3) INVEST AMSTER-MCRAE INS CO	120,000.
(4) INVESTMENT CTR FOR HLTH LRNG	1,477,362.
(5) DUE FROM RELATED PARTIES	169,215,209.
(6) OTHER CURRENT ASSETS	2,245,424.
(7)	
(8)	
(9)	
(10)	
Total *(Column (b) must equal Form 990, Part X, col (B) line 15)* ▶	260,145,505.

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) DUE TO RELATED PARTIES	352,818,972.
(3) OTHER LIABILITIES	210,817.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	353,029,789.

2. FIN 48 (ASC 740) 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 (ASC 740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
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	
9	Total adjustments (net) Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	

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	
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			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
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	
5	Total revenue Add lines **3** and **4c** *(This must equal Form 990, Part I, line 12)*			5	

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

1	Total expenses and losses per audited financial statements			1	
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	
3	Subtract line **2e** from line **1**			3	
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	
5	Total expenses Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18)*			5	

Part XIV Supplemental Information

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

SEE PAGE 5

Part XIV Supplemental Information *(continued)*

ASC 740 FOOTNOTE (FKA FIN 48)

SCHEDULE D, PART X, LINE 2

PIEDMONT HEALTHCARE ADOPTED ASC 740 (FKA FIN 48) ON JULY 1, 2007.

THE COMPANY ACCOUNTS FOR INCOME TAXES UNDER THE PROVISIONS OF THE INCOME TAXES TOPIC OF ASC (ASC 740). UNDER THE REQUIREMENTS OF ASC 740, TAX-EXEMPT ORGANIZATIONS MAY BE REQUIRED TO RECORD AN OBLIGATION AS THE RESULT OF A TAX POSITION THEY HAVE HISTORICALLY TAKEN ON VARIOUS TAX EXPOSURE ITEMS. THERE WERE NO MATERIAL UNCERTAIN TAX POSITIONS AS OF JUNE 30, 2011.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.** ▶**See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

PIEDMONT HEALTHCARE INC

Employer identification number

58-1503902

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	[X] First-class or charter travel	[ ] Housing allowance or residence for personal use		
	[X] Travel for companions	[ ] Payments for business use of personal residence		
	[ ] Tax indemnification and gross-up payments	[X] Health or social club dues or initiation fees		
	[ ] Discretionary spending account	[ ] Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
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	X	
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			
	[X] Compensation committee	[X] Written employment contract		
	[X] Independent compensation consultant	[X] Compensation survey or study		
	[ ] Form 990 of other organizations	[X] 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 from the organization or a related organization?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		X
b	Any related organization?	5b		X
	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	X	
b	Any related organization?	6b	X	
	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		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		X
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 duplicate copies if additional space is needed

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 DR. WILLIAM A. BLINCOE	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	559,987.	30,750.	3,762.	31,800.	11,387.	637,686.	0.
2 MR. R. TIMOTHY STACK	(i)	739,566.	168,622.	99,241.	92,753.	14,168.	1,114,350.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 MR. CHARLIE HALL	(i)	407,719.	156,975.	46,127.	73,201.	9,918.	693,940.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 MS. DEBBIE GRAMLING	(i)	120,396.	24,802.	3,613.	22,132.	10,504.	181,447.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 DR. PATRICK M BATTEY	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	407,110.	4,973.	43,087.	26,415.	8,015.	489,600.	0.
6 DR CHARLES W WICKLIFFE	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	521,688.	9,000.	10,466.	31,800.	9,389.	582,343.	0.
7 MR. GREG HURST	(i)	581,404.	167,910.	131,053.	181,955.	9,778.	1,072,100.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 MR. JAY MITCHELL	(i)	368,526.	149,648.	44,875.	64,789.	12,153.	639,991.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 DR. LEIGH HAMBY	(i)	402,123.	155,726.	25,163.	67,413.	12,314.	662,739.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 MR. ED LOVERN	(i)	353,672.	135,796.	17,417.	46,907.	8,521.	562,313.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 MR. JOSEPH HERZBERG	(i)	136,665.	63,171.	340,940.	68,750.	6,749.	616,275.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 MR. KENNETH SCHWARTZ	(i)	105,198.	0.	314,520.	12,295.	3,510.	435,523.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 MS. NANCY SHIFLET	(i)	220,261.	55,852.	24,120.	57,754.	3,108.	361,095.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 MR. RONNIE BROWNSWORTH	(i)	422,462.	158,681.	27,191.	0.	13,779.	622,113.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 MR. MARK PASQUALE	(i)	273,044.	70,709.	24,080.	47,290.	13,027.	428,150.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16	(i)							
	(ii)							

Part III Supplemental Information

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

FIRST CLASS TRAVEL, SOCIAL CLUB DUES, AND COMPANION TRAVEL

SCHEDULE J, PART I, LINE 1A

FIRST CLASS TRAVEL IS ALLOWED FOR CERTAIN SENIOR EXECUTIVES. SOCIAL CLUB DUES ARE PAID ON BEHALF OF THE CHIEF EXECUTIVE OFFICER. THESE ITEMS ARE NOT REPORTED ON THE EMPLOYEE'S FORM W-2, HOWEVER, THE COMPANY IS REIMBURSED FOR ANY PERSONAL USE.

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J, PART I, LINE 4B

R. TIMOTHY STACK, CHARLIE HALL, LEIGH HAMBY, JAY MITCHELL, JOSEPH HERZBERG, MARK PASQUALE, NANCY SCHIFLET, AND GREG HURST PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN, BUT DID NOT RECEIVE CURRENT YEAR PAYMENTS.

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

BONUSES

FORM 990, PART VII AND SCHEDULE J, PART I LINE 6A & 6B

BONUSES ARE PAID ANNUALLY TO CERTAIN EMPLOYEES BASED ON VARIOUS METRICS,

INCLUDING NET EARNINGS.

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, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open To Public Inspection

Name of the organization
PIEDMONT HEALTHCARE INC

Employer identification number
58-1503902

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
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
Total	. . . . . ▶ $										

Part III Grants or Assistance Benefiting 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 and type of assistance
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

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
(1)	MS. JANINE BROWN	BOARD MEMEBER	645,546.	ALSTON & BIRD LEGAL FEES		X
(2)	MR E JENNER WOOD, III	BOARD MEMBER	19,304	SUNTRUT BANK FEES		X
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

TRANSACTIONS WITH INTERESTED PERSONS

SCHEDULE L, PART IV, LINE 1

MS. JANINE BROWN IS A PARTNER WITH ALSTON & BIRD LLP, AND A BOARD MEMBER OF PIEDMONT HEALTHCARE. THE AMOUNT OF $645,546 REPRESENTS INVOICES PAID BY PIEDMONT HEALTHCARE FOR LEGAL SERVICES PROVIDED BY ALSTON & BIRD AT FAIR MARKET VALUE.

MR. E. JENNER WOOD III IS CHAIRMAN, PRESIDENT, AND CEO OF SUNTRUST BANK CENTRAL GROUP, AND A BOARD MEMBER OF PIEDMONT HEALTHCARE. THE AMOUNT PAID TO SUNTRUST OF $19,304 REPRESENTS THE FAIR MARKET VALUE OF BANK FEES AND VISA TRAVEL CARD EXPENSES PAID TO THE BANK DURING THE YEAR. IN ADDITION TO THE LISTED BANK FEES, PIEDMONT HEALTHCARE'S RELATED AND SUBSIDIARY ENTITIES ALSO ENGAGED IN TRANSACTIONS WITH SUNTRUST THAT EXCEED $100,000 IN THE AGGREGATE, THE MOST SIGNIFICANT OF WHICH RELATED TO FEES INCURRED IN RELATION TO TAX-EXEMPT BOND FINANCING. MR. WOOD, HOWEVER, DOES NOT SERVE ON THE BOARDS OF DIRECTORS FOR ANY OF THESE RELATED OR SUBSIDIARY ENTITIES.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
PIEDMONT HEALTHCARE INC	58-1503902

COMMON PAYMASTER

FORM 990, PART V, LINE 2A; PART VII, SECTION A; AND PART IX, LINE 7

EFFECTIVE JANUARY 1, 2011, PIEDMONT HEALTHCARE BEGAN FILING AS A COMMON PAYMASTER FOR SEVERAL RELATED ENTITIES. HOWEVER, NEAR THE END OF CALENDAR YEAR 2011, PIEDMONT HEALTHCARE DROPPED THAT DESIGNATION. EACH OF THE ENTITIES IN THE PIEDMONT HEALTHCARE SYSTEM NOW FILES ITS OWN WITHHOLDING REPORTS AND REMITS TAXES UNDER ITS OWN WITHHOLDING ACCOUNTS. FURTHERMORE, FOR ALL PERIODS OF CALENDAR YEAR 2011, PIEDMONT HEALTHCARE HAS FILED A FORM 941-X TO CORRECT ITS REPORTED WITHHOLDINGS. ALL MONIES ORIGINALLY REPORTED UNDER THE PIEDMONT HEALTHCARE ACCOUNT HAVE BEEN OR ARE IN THE PROCESS OF BEING REASSIGNED TO THE CORRECT ENTITY'S WITHHOLDING ACCOUNT. AS OF JUNE 30, 2011, PIEDMONT HEALTHCARE HAD 3,930 EMPLOYEES ON ITS PAYROLL.

RELATIONSHIPS WITH BOARD MEMBERS

FORM 990, PART VI, SECTION A, LINE 2

MR. R. TIMOTHY STACK (PRESIDENT& CEO OF PHC), DR. HARRY MCFARLING (PHC BOARD MEMBER), AND MIKE MCFARLING (DR. MCFARLING'S BROTHER) HAVE JOINT OWNERSHIP IN A RESIDENTIAL INVESTMENT PROPERTY.

ELECTION OF GOVERNING BODY

FORM 990, PART VI, SECTION A, LINE 7A

PER THE BYLAWS OF PIEDMONT HEALTHCARE, ITS BOARD OF DIRECTORS SHALL BE COMPOSED OF AT LEAST 15 BUT NOT MORE THAN 17 DIRECTORS. INITIAL MEMBERS

Name of the organization	Employer identification number
PIEDMONT HEALTHCARE INC	58-1503902

OF THE BOARD OF DIRECTORS WERE APPOINTED PURSUANT TO THE BOARD'S CHARTER.

ALL VACANCIES ON PHC'S BOARD OF DIRECTORS, INCLUDING VACANCIES ARISING FROM THE CONCLUSION OF A DIRECTOR'S TERM, RESIGNATION, OR REMOVAL, SHALL BE FILLED BY ACTION OF THE REMAINING DIRECTORS.

IN ADDITION, THE PRESIDENT/CEO OF THE ORGANIZATION SHALL BE RECRUITED, SELECTED, EVALUATED, COMPENSATED, AND, IF THE NEED ARISES, TERMINATED BY THE MAJORITY OF THE MEMBERS OF PHC'S BOARD OF DIRECTORS. OTHER OFFICERS OF THE CORPORATION SHALL BE ELECTED BY THE BOARD AT ITS ANNUAL MEETING.

ANY NON-EX OFFICIO DIRECTOR MAY BE REMOVED FOR ANY REASON BY A MAJORITY VOTE OF THE REMAINING DIRECTORS, AND ANY OFFICER MAY BE REMOVED, WITH OR WITHOUT CAUSE AND AT ANY TIME, BY A MAJORITY VOTE OF THE BOARD AT ITS REGULAR OR SPECIAL MEETINGS.

DECISIONS OF GOVERNING BODY

FORM 990, PART VI, SECTION A, LINE 7B

ALL RESOLUTIONS ADOPTED AND ALL BUSINESS TRANSACTED BY PHC'S BOARD OF DIRECTORS REQUIRES THE AFFIRMATIVE VOTE OF A MAJORITY OF THE DIRECTORS PRESENT AT THE TIME OF VOTING, AS LONG AS A QUORUM (MAJORITY OF DIRECTORS CURRENTLY IN OFFICE) IS REPRESENTED AT THE MEETING.

990 REVIEW PROCESS

FORM 990, PART VI, SECTION B, LINE 11B

INFORMATION NEEDED TO PREPARE PIEDMONT HEALTHCARE'S FORM 990 IS COMPILED

Name of the organization	Employer identification number
PIEDMONT HEALTHCARE INC	58-1503902

BY INDIVIDUALS IN THE ORGANIZATION'S FINANCE DEPARTMENT. THE INFORMATION IS THEN REVIEWED BY PHC'S CONTROLLER AND VP/CFO. THE 990 IS THEN PREPARED INTERNALLY BY PIEDMONT HEALTHCARE'S TAX COMPLIANCE MANAGER AND SUBMITTED TO AN EXTERNAL TAX PREPARER FOR REVIEW. COPIES OF FORM 990 ARE PROVIDED TO THE BOARD OF DIRECTORS OF PIEDMONT HEALTHCARE PRIOR TO FILING.

CONFLICT OF INTEREST POLICY

FORM 990, PART VI, SECTION B, LINE 12C

COMPLIANCE WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY IS MONITORED AND ENFORCED BY ORGANIZATION MANAGEMENT IN COORDINATION WITH PIEDMONT HEALTHCARE'S VICE PRESIDENT OF COMPLIANCE. ALL SENIOR LEADERS, BOARD MEMBERS, PHYSICIAN EMPLOYEES, AND EMPLOYEES ENGAGED IN RESEARCH ARE REQUIRED TO ANNUALLY DISCLOSE ALL MATTERS WHICH COULD POTENTIALLY CONSTITUTE A CONFLICT OF INTEREST. MATTERS DISCLOSED UNDER THE POLICY MUST BE REVIEWED IN WRITING BY THE REPORTING INDIVIDUAL'S SUPERVISING MANAGER AND THEN BY THE PIEDMONT HEALTHCARE CONFLICT OF INTEREST COMMITTEE IN ORDER TO DETERMINE WHETHER A CONFLICT EXISTS AND, IF SO, WHETHER TO ELIMINATE OR MANAGE THE CONFLICT. ALL BOARD MEMBERS AND EMPLOYEES OF PIEDMONT HEALTHCARE ARE PROVIDED TRAINING ON THE REQUIREMENTS OF THE CONFLICT OF INTEREST POLICY AT NEW-EMPLOYEE ORIENTATION AND AT LEAST ANNUALLY THEREAFTER. NONCOMPLIANCE WITH THE CONFLICT OF INTEREST POLICY MUST BE REPORTED TO PIEDMONT HEALTHCARE'S VICE PRESIDENT OF COMPLIANCE FOR INVESTIGATION AND REMEDIAL STEPS MUST BE TAKEN AS APPROPRIATE UNDER THE ORGANIZATION'S DISCIPLINARY POLICIES.

EXECUTIVE COMPENSATION

Name of the organization	Employer identification number
PIEDMONT HEALTHCARE INC	58-1503902

FORM 990, PART VI, SECTION B, LINE 15A & 15B

THE PIEDMONT HEALTHCARE, INC., BOARD OF DIRECTORS EXECUTIVE PERFORMANCE AND COMPENSATION COMMITTEE ("THE COMMITTEE") IS COMPOSED OF AT LEAST THREE MEMBERS, SERVING TERMS OF THREE YEARS, AND THE MAJORITY OF WHICH ARE COMMUNITY DIRECTORS WHO GENERALLY DO NOT HAVE CONFLICTS OF INTEREST RELATED TO FULFILLMENT OF THE DUTIES AS OUTLINED BELOW.

-SELECT AN EXTERNAL EXECUTIVE COMPENSATION CONSULTANT ("THE CONSULTANT"). THE COMMITTEE HAS UTILIZED THE SERVICES OF INTEGRATED HEALTHCARE STRATEGIES (FORMERLY CLARK CONSULTING) FOR THE PAST SEVERAL YEARS.

-WORK WITH THE PRESIDENT/CEO TO FORMULATE AND IMPLEMENT ANNUAL PERFORMANCE OBJECTIVES. THE COMMITTEE MEETS ANNUALLY WITH PIEDMONT HEALTHCARE'S CEO AND KEY SENIOR EXECUTIVES.

-TO REVIEW AND APPROVE EXECUTIVE PERFORMANCE OBJECTIVES FOR THE FISCAL YEAR.

-ANNUALLY ASSESS PRESIDENT/CEO PERFORMANCE. THE COMMITTEE MEETS ANNUALLY WITH THE CEO AND KEY SENIOR EXECUTIVES.

-TO REVIEW THE ACCOMPLISHMENTS OF THE EXECUTIVE PERFORMANCE OBJECTIVES AFTER THE CLOSE OF THE FISCAL YEAR.

-ASSESS AND IMPLEMENT POLICIES REGARDING PRESIDENT/CEO PERFORMANCE AND COMPENSATION. THE COMMITTEE HAS DEVELOPED AN EXECUTIVE COMPENSATION PHILOSOPHY AND REVIEWS THE PHILOSOPHY ANNUALLY. THE COMMITTEE SEEKS INPUT AND GUIDANCE FROM THE CONSULTANT TO ENSURE THAT THE PHILOSOPHY IS REASONABLE AND COMPARABLE TO THAT OF SIMILAR ORGANIZATIONS.

-APPROVE LONG- AND SHORT-TERM GOALS TO BE USED IN CONNECTION WITH

Name of the organization: PIEDMONT HEALTHCARE INC

Employer identification number: 58-1503902

EXECUTIVE STAFF COMPENSATION PROGRAM AS RECOMMENDED BY THE PRESIDENT/CEO AND VALIDATED BY THE COMPENSATION CONSULTANT. THE COMMITTEE MEETS ANNUALLY WITH THE CEO AND KEY SENIOR EXECUTIVES AS WELL AS THE CONSULTANT TO REVIEW SALARY ADJUSTMENTS AND INCENTIVE PAY FOR THE CEO, SENIOR EXECUTIVES, AND EXECUTIVES THROUGHOUT THE ORGANIZATION. THE COMMITTEE MEETS WITH THE CONSULTANT ANNUALLY TO RECEIVE INPUT AND RECOMMENDATIONS TO ENSURE THAT SALARY ADJUSTMENTS, INCENTIVES, AND BENEFITS ARE REASONABLE AND COMPARABLE TO THOSE OF LIKE ORGANIZATIONS.
-PERFORM ANY TASKS RELATED TO EXECUTIVE PERFORMANCE AND COMPENSATION, INCLUDING BUT NOT LIMITED TO, APPROVAL OF EXECUTIVE EMPLOYMENT CONTRACTS, AND EXECUTIVE BENEFITS. THE COMMITTEE SEEKS INPUT FROM THE CONSULTANT, AS WELL AS EXTERNAL LEGAL ADVISORS, WHEN IT IS NECESSARY TO DEVELOP AND/OR AMEND EXECUTIVE EMPLOYMENT CONTRACTS AND BENEFITS.

THE MAJORITY OF THE COMMITTEE MEMBERS ARE COMMUNITY BOARD DIRECTORS WHO GENERALLY DO NOT HAVE CONFLICTS OF INTEREST RELATED TO FULFILLMENT OF THE DUTIES AS OUTLINED ABOVE.

DISCLOSURE OF GOVERNING, CONFLICT OF INTEREST, AND FINANCIAL DOCUMENTS
FORM 990, PART VI, SECTION C, LINE 19
GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST. THESE DOCUMENTS SHOULD BE REQUESTED FROM PIEDMONT HEALTHCARE, INC'S LEGAL COUNSEL.

ATTACHMENT 1

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION

Name of the organization: PIEDMONT HEALTHCARE INC

Employer identification number: 58-1503902

ATTACHMENT 1 (CONT'D)

DR. WILLIAM A. BLINCOE	
CHAIRMAN	39.00
MR. WM. RONALD DUFFEY	
BOARD MEMBER	2.00
MR. R. TIMOTHY STACK	
PRESIDENT AND CEO	7.00
DR. PATRICK M BATTEY	
BOARD MEMBER	39.00
MS. JANINE BROWN	
VICE CHAIRMAN	0.00
MR. MICHAEL D. GARRETT	
BOARD MEMBER	0.00
MR. R. GLENN HILLIARD	
BOARD MEMBER	0.00
MR. JAMES F. KELLEY	
BOARD MEMBER	0.00
DR. HARRY M. MCFARLING	
BOARD MEMBER	0.00
DR. PATRICIA H. MEADORS	
BOARD MEMBER	0.00
MR. RODERICK D. ODOM, JR.	
BOARD MEMBER	0.00
DR CHARLES W WICKLIFFE	
BOARD MEMBER	39.00
MR. E. JENNER WOOD, III	
BOARD MEMBER	0.00
MS. LILA HERTZ	
BOARD MEMBER	0.00
DR. FRANK N. COLE	
BOARD MEMBER	0.00
MR. CHARLIE HALL	
TREASURER/EVP CHIEF FINANCIAL	7.00
MS. DEBBIE GRAMLING	
SECRETARY	7.00
MR. GREG HURST	
EVP CHIEF OPERATING OFFICER	4.00
MR. JAY MITCHELL	
EVP GENERAL COUNSEL	0.00
DR. LEIGH HAMBY	
EVP CHIEF QUALITY OFFICER	0.00
MR. ED LOVERN	
EVP CHIEF ADMIN OFFICER	0.00
MR. JOSEPH HERZBERG	
VP HUMAN RESOURCES ADMIN	0.00
MR. KENNETH SCHWARTZ	
VP CORPORATE COMPLIANCE	0.00
MS. NANCY SHIFLET	
VP TREASURY	0.00
MR. RONNIE BROWNSWORTH	
EVP/CEO OF PIEDMONT CLINIC	0.00
MR. MARK PASQUALE	
CHIEF INFORMATION OFFICER	0.00

Name of the organization: PIEDMONT HEALTHCARE INC

Employer identification number: 58-1503902

ATTACHMENT 2

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

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
KING AND SPALDING PO BOX 116163 ATLANTA, GA 30369	LEGAL	1,771,044.
PRICE WATERHOUSE COOPERS PO BOX 932011 ATLANTA, GA 31193	CONSULTING SERVICES	1,888,322.
INTEGRITY HOSPITAL COMPANY 86 CLARK POINT RD SOUTWEST HARBOR, ME 04679	CONSULTING SERVICES	1,237,511.
LAW OFFICE OF CARMEN V. PORRECA 4901 OLD TOWNE PARKWAY STE. 301 MARIETTA, GA 30068	LEGAL SERVICES	763,999.
ERNST & YOUNG LLP PO BOX 933514 ATLANTA, GA 31193-3514	AUDIT & TAX SERVICES	738,856.
	TOTAL COMPENSATION	6,399,732.

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

2010

Open to Public Inspection

Name of the organization
PIEDMONT HEALTHCARE INC

Employer identification number
58-1503902

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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) PIEDMONT HOSPITAL INC 58-0566213 1968 PEACHTREE ROAD NW ATLANTA, GA 30309	HOSPITAL	GA	501(C)(3)	3	N/A	X	
(2) FAYETTE COMMUNITY HOSPITAL, INC 58-2322328 1255 HIGHWAY 154 WEST FAYETTEVILLE, GA 30214	HOSPITAL	GA	501(C)(3)	3	N/A	X	
(3) PIEDMONT MOUNTAINSIDE HOSPITAL, INC 35-2228583 1266 HIGHWAY 515 SOUTH JASPER, GA 30143	HOSPITAL	GA	501(C)(3)	3	N/A	X	
(4) PIEDMONT NEWNAN HOSPITAL, INC 20-5077249 745 POPLAR ROAD NEWNAN, GA 30265	HOSPITAL	GA	501(C)(3)	3	N/A	X	
(5) PIEDMONT HEALTHCARE FOUNDATION, INC 58-1272768 1968 PEACHTREE ROAD NW ATLANTA, GA 30309	FUNDRAISING	GA	501(C)(3)	11 III-OTH	N/A	X	
(6) PIEDMONT HEART INSTITUTE, INC 26-3553500 95 COLLIER ROAD NW STE 2045 ATLANTA, GA 30309	HEALTHCARE	GA	501(C)(3)	7	N/A	X	
(7)							

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	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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
(1) PIEDMONT MEDICAL CARE CORPORATION 58-2092768 2727 PACES FERRY ROAD SUITE 1-1100 ATLANTA, GA 30339	HEALTHCARE	GA	N/A	C-CORP	120,021,000	32,713,000	100 0000
(2) THE PIEDMONT CLINIC, INC 58-2005358 2727 PACES FERRY ROAD SUITE 1-1100 ATLANTA, GA 30339	HEALTHCARE	GA	N/A	C-CORP	4,128,000	9,151,000	100 0000
(3) PIEDMONT HEART INSTITUTE PHYSICIANS, INC 26-0593850 95 COLLIER ROAD NW STE 2045 ATLANTA, GA 30309	HEALTHCARE	GA	N/A	C-CORP	70,938,000	21,557,000	100 0000
(4) AMSTER MCRAE INSURANCE COMPANY GOVERNOP'S SQUARE 2ND FLOOR BLDG 3 KY 1- GRAND CAYMAN, C	INSURANCE	CJ	N/A	C-CORP	9,514,000	37,854,000	100 0000
(5)							
(6)							
(7)							

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

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

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

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	PIEDMONT HOSPITAL, INC.	P	20,606,996.	ACTUAL
(2)	FAYETTE COMMUNITY HOSPITAL, INC.	P	4,916,559.	ACTUAL
(3)	PIEDMONT MEDICAL CARE CORPORATION	A	218,032.	ESTIMATE
(4)	PIEDMONT HOSPITAL, INC.	E	1,978,831.	ACTUAL
(5)	PIEDMONT HOSPITAL, INC.	A	462,161.	ESTIMATE
(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) Disproportionate 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
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

SCHEDULE J
(Form 5471)
(Rev December 2005)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No 1545-0704

Name of person filing Form 5471
Piedmont Healthcare, Inc

Identifying number
58-1503902

Name of foreign corporation
Amster-McRae Insurance Company

Important: Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U S Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	-989,103					-989,103
2 a Current year E&P	1,233,274					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a **or** line 1 minus line 2b)	244,171					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year	1,233,274				1,233,274	
5 a Actual distributions or reclassifications of previously taxed E&P					1,233,274	
b Actual distributions of nonpreviously taxed E&P						
6 a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	-989,103					
7 Balance at end of year (Enter amount from line 6a or line 6b, whichever is applicable)	-989,103					-989,103

SCHEDULE M (Form 5471)
(Rev December 2010)
Department of the Treasury
Internal Revenue Service

Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No 1545-0704

Name of person filing Form 5471: Piedmont Healthcare, Inc.

Identifying number: 58-1503902

Name of foreign corporation: Amster-McRae Insurance Company

Important: *Complete a* ***separate*** *Schedule M for each controlled foreign corporation Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f) All amounts must be stated in U S dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year See instructions*

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ US Dollar 1

	(a) Transactions of foreign corporation	(b) U S person filing this return	(c) Any domestic corporation or partnership controlled by U S person filing this return	(d) Any other foreign corporation or partnership controlled by U S person filing this return	(e) 10% or more U S shareholder of controlled foreign corporation (other than the U S person filing this return)	(f) 10% or more U S shareholder of any corporation controlling the foreign corporation
1	Sales of stock in trade (inventory)					
2	Sales of tangible property other than stock in trade					
3	Sales of property rights (patents, trademarks, etc)					
4	Platform contribution transaction payments received					
5	Cost sharing transaction payments received					
6	Compensation received for technical, managerial, engineering, construction, or like services					
7	Commissions received					
8	Rents, royalties, and license fees received					
9	Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
10	Interest received					
11	Premiums received for insurance or reinsurance					
12	Add lines 1 through 11					
13	Purchases of stock in trade (inventory)					
14	Purchases of tangible property other than stock in trade					
15	Purchases of property rights (patents, trademarks, etc.)					
16	Platform contribution transaction payments paid					
17	Cost sharing transaction payments paid					
18	Compensation paid for technical, managerial, engineering, construction, or like services					
19	Commissions paid					
20	Rents, royalties, and license fees paid					
21	Dividends paid					
22	Interest paid					
23	Premiums paid for insurance or reinsurance					
24	Add lines 13 through 23					
25	Amounts borrowed (enter the maximum loan balance during the year) — see instructions					
26	Amounts loaned (enter the maximum loan balance during the year) — see instructions					

Line 16, Sch C (5471) - Other Deductions

U.S Dollars

1	Actuarial Fees	1	82,000
2	Travel and Meeting Expenses	2	64,830
3	Management Fees	3	55,000
4	Audit Fees	4	20,750
5	Legal Fees	5	18,115
6	Miscellaneous	6	11,640
7	Government Fees	7	11,159
8	Underwriting Expenses	8	3,554,718
9		9	
10	Total other deductions	10	3,818,212

Line 4, Sch F (5471) - Other Current Assets

			Beginning	End
1	Insurance Balances Receivable	1	9,555,270	9,473,478
2	Prepaid Expenses	2	20,124	5,549
3	Interest Receivable	3	157,232	152,708
4		4		
5		5		
6		6		
7		7		
8		8		
9		9		
10		10		
11	Total other current assets	11	9,732,626	9,631,735

Line 7, Sch F (5471) - Other Investments

			Beginning	End
1	Fixed Income Securities	1	3,816,644	8,733,716
2	Mortgage-Backed Obligations	2	6,311,312	2,237,394
3	Corporate Debt Securities	3	8,746,540	8,228,060
4	Equity Securities	4	7,916,905	8,285,556
5		5		
6		6		
7		7		
8		8		
9		9		
10		10		
11	Total other investments	11	26,791,401	27,484,726

Line 15, Sch F (5471) - Other Current Liabilities

			Beginning	End
1	Losses Payable	1	1,451,620	81,482
2	Unearned Premium Reserve	2	8,550,085	9,473,486
3		3		
4		4		
5		5		
6		6		
7		7		
8		8		
9		9		
10		10		
11	Total other current liabilities	11	10,001,705	9,554,968

Line 17, Sch F (5471) - Other Liabilities

			Beginning	End
1	Provisions for Losses & Loss Development	1	16,390,544	16,985,377
2	Deferred Gain on Policy, Accounted for as Loss Portfolio Transfer	2	85,727	0
3		3		
4		4		
5		5		
6		6		
7		7		
8		8		
9		9		
10		10		
11	Total other liabilities	11	16,476,271	16,985,377

Line 19, Sch F (5471) - Paid-In or Capital Surplus

			Beginning	End
1	Additional Paid-In Capital	1	3,560,115	3,560,115
2		2		
3		3		
4		4		
5		5		
6		6		
7		7		
8		8		
9		9		
10		10		
11	Total Paid-in or capital surplus	11	3,560,115	3,560,115

Line 2h, Sch H (5471) - Other

			Additions	Subtractions
1	Related Party Premiums	1		6,244,782
2	Related Party Loss Reserves	2	2,925,354	
3		3		
4		4		
5		5		
6		6		
7		7		
8		8		
9		9		
10		10		
11	Total Other	11	2,925,354	6,244,782

Form **8868**
(Rev January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ ☐
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ ☒

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print File by the due date for filing your return See instructions	Name of exempt organization	Employer identification number
	PIEDMONT HEALTHCARE, INC.	58-1503902
	Number, street, and room or suite no If a P O box, see instructions	
	1968 PEACHTREE ROAD, N.W.	
	City, town or post office, state, and ZIP code For a foreign address, see instructions	
	ATLANTA, GA 30309	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 7

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ CHARLIE HALL

Telephone No ▶ 404-605-2439 FAX No ▶ 404-609-6638

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A If this is for the whole group, check this box . . . . . ▶ ☐ If it is for part of the group, check this box . . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 02/15, 20 12, to file the exempt organization return for the organization named above The extension is for the organization's return for

▶ ☐ calendar year 20 ____ or

▶ ☒ tax year beginning 07/01, 20 10, and ending 06/30, 20 11

2 If the tax year entered in line 1 is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 0
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$ 0
c	**Balance Due.** Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . . ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed)

Type or print / File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions	Enter filer's identifying number, see instructions: Employer identification number (EIN) or
	PIEDMONT HEALTHCARE, INC.	[X] 58-1503902
	Number, street, and room or suite no If a P O box, see instructions: 1968 PEACHTREE ROAD, N.W.	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code For a foreign address, see instructions: ATLANTA, GA 30309	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ CHARLIE HALL
  Telephone No ▶ 404-605-2439 FAX No ▶ 404-609-6638
- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A If this is for the whole group, check this box . . . . . ▶ [ ] If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until MAY 15, 20 12

5 For calendar year _____, or other tax year beginning 07/01, 20 10, and ending 06/30, 20 11

6 If the tax year entered in line 5 is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED IN ORDER TO GATHER ALL THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	8a	$ NONE
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	$ NONE
c	**Balance Due.** Subtract line 8b from line 8a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	$ NONE

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ Claire Steinke Title ▶ Manager Date ▶ 02/14/2012

ERNST & YOUNG LLP-34-6565596
55 IVAN ALLEN JR BLVD , SUITE 1000
ATLANTA, GA 30308
ATTN C STEINKE