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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 10-01-2010 and ending 09-30-2011

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

C Name of organization
NORTHEAST GEORGIA HEALTH SYSTEM INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 743 SPRING STREET

Room/suite

City or town, state or country, and ZIP + 4
GAINESVILLE, GA 305013899

D Employer identification number
58-1694090

E Telephone number
(770) 219-6646

G Gross receipts $ 26,618,652

F Name and address of principal officer
CAROL BURRELL
743 SPRING STREET
GAINESVILLE, GA 305013899

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW NGHS COM

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

L Year of formation 1986

M State of legal domicile GA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
NORTHEAST GEORGIA HEALTH SYSTEM (NGHS) WAS FORMED TO SERVE AS THE PARENT COMPANY (SEE SCHEDULE O) FOR THE CONTROLLED NOT-FOR-PROFIT AFFILIATES - NORTHEAST GEORGIA MEDICAL CENTER, INC - THE MEDICAL CENTER FOUNDATION, INC - NORTHEAST GEORGIA PHYSICIANS GROUP, INC NGHS DIRECTS THESE AFFILIATES IN THEIR PROGRAM SERVICES BY ENGAGING IN STRATEGIC PLANNING, FINANCIAL MANAGEMENT, MARKETING, RESOURCE ALLOCATION, AND GENERAL MANAGEMENT OVERSIGHT

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**	12
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	5,589
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	35,732
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	20,464,863	19,347,682
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-3,627,233	5,564,736
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,226,821	1,378,280
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	18,064,451	26,290,698
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	65,829	55,025
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)	9,874,232	9,497,848
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)	10,402,869	9,210,732
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	20,342,930	18,763,605
19	Revenue less expenses Subtract line 18 from line 12	-2,278,479	7,527,093
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	155,235,548	151,539,883
21	Total liabilities (Part X, line 26)	63,870,044	66,839,784
22	Net assets or fund balances Subtract line 21 from line 20	91,365,504	84,700,099

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 — 2012-08-15 Date

ANTHONY HERDENER VICE PRESIDENT/CFO Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
SUSAN CLARK	SUSAN CLARK		☐	

Firm's name ▶ PERSHING YOAKLEY & ASSOCIATES P C — Firm's EIN ▶

Firm's address ▶ ONE CHEROKEE MILLS 2220 SUTHERLAND KNOXVILLE, TN 379192363 — Phone no ▶ (865) 673-0844

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

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

NORTHEAST GEORGIA HEALTH SYSTEM (NGHS) WAS FORMED TO SERVE AS THE PARENT COMPANY FOR THE CONTROLLED NOT-FOR-PROFIT AFFILIATES - NORTHEAST GEORGIA MEDICAL CENTER, INC - THE MEDICAL CENTER FOUNDATION, INC - NORTHEAST GEORGIA PHYSICIANS GROUP, INC NGHS DIRECTS THESE AFFILIATES IN THEIR PROGRAM SERVICES BY ENGAGING IN STRATEGIC PLANNING, FINANCIAL MANAGEMENT, MARKETING, RESOURCE ALLOCATION,AND GENERAL MANAGEMENT OVERSIGHT

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 $ 92,442 including grants of $ 55,025) (Revenue $ 19,347,682)

NORTHEAST GEORGIA HEALTH SYSTEM, INC IS THE TAX-EXEMPT PARENT OF A MULTI-ENTITY HEALTHCARE SYSTEM SERVING GAINESVILLE, GEORGIA, HALL COUNTY, AND SURROUNDING COMMUNITIES NGHS IS RESPONSIBLE FOR STRATEGIC PLANNING, FINANCIAL MANAGEMENT, MARKETING, RESOURCE ALLOCATION AND GENERAL MANAGEMENT OVERSIGHT TO NORTHEAST GEORGIA MEDICAL CENTER, INC AND AFFILIATED ENTITIES **SEE SCHEDULE O FOR PROGRAM SERVICE ACCOMPLISHMENTS CONTINUATION**

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** ▶ $ 92,442

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
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		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	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, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
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		No
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		No
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		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
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	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
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	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement 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)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
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**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
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**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**	Yes	
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* ☑ **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**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	5,589		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	Yes	
	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	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See 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		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f		No
g	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? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
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		No
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 lines 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 . . . . . ☑

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	12		
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	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Does the organization have members or stockholders?		6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
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	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 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		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

LINDA D NICHOLSONCONTROLLER
743 SPRING STREET
GAINESVILLE,GA 30501
(770)219-6646

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 . . . . . ☐

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, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, 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			
See Additional Data Table										

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			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								7,200,649	30,300	1,601,514

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 ▶ 22

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
WILLIS INVESTMENT COUNCIL 710 GREEN STREET GAINESVILLE, GA 30501	INVESTMENT SERVICES	433,340
KAUFMAN HALL 5202 OLD ORCHARD ROAD SKOKIE, IL 60077	STRATEGIC CONSULTING	384,318
DRAFFIN & TUCKER 2617 GILLIONVILLE RD ALBANY, GA 31702	COST REPORT/CONSULT	304,944
BECK ADVISORY GROUP LLC 155 EAST 50TH STREET BOISE, ID 83714	FINANCIAL CONSULTING	298,014
HAY GROUP INC PO BOX 828352 PHILADELPHIA, PA 19182	COMPENSATION CONSULTING	210,216

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 ▶ 14

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . .	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations . . .	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶					
Program Service Revenue		Business Code				
	2a MANAGEMENT FEES	541610	16,682,701	16,646,969	35,732	
	b PS RENT FROM AFFILIATE	531120	2,355,015	2,355,015		
	c OTHER REVENUE	900099	309,966	309,966		
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		19,347,682			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		2,647,555			2,647,555
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	1,654,951				
	b Less rental expenses	276,671				
	c Rental income or (loss)	1,378,280				
	d Net rental income or (loss) . . . . . ▶		1,378,280			1,378,280
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	2,889,096	79,368			
	b Less cost or other basis and sales expenses		51,283			
	c Gain or (loss)	2,889,096	28,085			
	d Net gain or (loss) . . . . . ▶		2,917,181			2,917,181
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . . ▶					
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶					
	12 **Total revenue.** See Instructions . . . ▶		26,290,698	19,311,950	35,732	6,943,016

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	55,025	55,025		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	3,705,886	7,412	3,698,474	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	3,237,804	6,476	3,231,328	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,374,959	2,750	1,372,209	
9	Other employee benefits	750,676	1,501	749,175	
10	Payroll taxes	428,523	857	427,666	
a	Fees for services (non-employees) Management				
b	Legal	476,056	952	475,104	
c	Accounting	204,000	408	203,592	
d	Lobbying				
e	Professional fundraising services *See Part IV, line 17* . .				
f	Investment management fees	195,453	391	195,062	
g	Other	2,678,434	5,357	2,673,077	
12	Advertising and promotion	577,881	1,156	576,725	
13	Office expenses				
14	Information technology				
15	Royalties . .				
16	Occupancy	930,864	1,862	929,002	
17	Travel	96,937	194	96,743	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	405,886	812	405,074	
20	Interest	15,835	32	15,803	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,193,724	4,387	2,189,337	
23	Insurance	978	2	976	
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	DUES & SUBSCRIPTIONS	491,964	984	490,980	
b	SOFTWARE SUPPORT & LSCS	429,671	859	428,812	
c	LICENSES & TAXES	265,654	531	265,123	
d	RECRUITMENT	220,870	442	220,428	
e	SUPPLIES	176,121	352	175,769	
f	All other expenses	-149,596	-300	-149,296	
25	**Total functional expenses.** Add lines 1 through 24f	18,763,605	92,442	18,671,163	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		309,779	1	
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		122,080	4	205,852
	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) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges			9	63,416
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 90,538,167			
	b	Less accumulated depreciation	10b 20,335,987	68,040,609	10c	70,202,180
	11	Investments—publicly traded securities		80,232,609	11	76,193,057
	12	Investments—other securities See Part IV, line 11		305,278	12	305,278
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		6,225,193	15	4,570,100
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		155,235,548	16	151,539,883
Liabilities	17	Accounts payable and accrued expenses		5,780,255	17	5,451,532
	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		200,206	23	130,223
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		57,889,583	25	61,258,029
	26	**Total liabilities.** Add lines 17 through 25		63,870,044	26	66,839,784
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		91,365,504	27	84,700,099
	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		91,365,504	33	84,700,099
	34	Total liabilities and net assets/fund balances		155,235,548	34	151,539,883

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	26,290,698
2	Total expenses (must equal Part IX, column (A), line 25)	2	18,763,605
3	Revenue less expenses Subtract line 2 from line 1	3	7,527,093
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	91,365,504
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-14,192,498
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	84,700,099

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST GEORGIA HEALTH SYSTEM INC

Employer identification number
58-1694090

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 the supported organization? **11g(i)**		No
(ii) a family member of a person described in (i) above? **11g(ii)**		No
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		No

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) NORTHEAST GEORGIA MEDICAL CENTER	581694098	3	Yes		Yes		Yes		0
Total									0

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 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 for 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 the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—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						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(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**	

19a **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.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Additional Data

Software ID:
Software Version:
EIN: 58-1694090
Name: NORTHEAST GEORGIA HEALTH SYSTEM INC

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MARY LYNN COYLE CHAIRPERSON	1 00	X						0	0	0
BENNY BAGWELL VICE CHAIRPERSON	1 00	X						0	0	0
STEPHEN MOORE MD MEMBER	1 00	X						0	0	0
PIERPONT F BROWN III MD MEMBER & NGPG PHYSICIAN	1 00	X						572,726	0	30,940
DAN WINSTON MD MEMBER & NGPG PHYSICIAN	1 00	X						162,437	30,300	9,327
DOUG CARTER MEMBER	1 00	X						0	0	0
MARTHA NESBITT MEMBER	1 00	X						0	0	0
STROTHER RANDOLPH MEMBER	1 00	X						0	0	0
ELIZABETH UMBERSON MEMBER	1 00	X						0	0	0
RK WHITEHEAD MEMBER	1 00	X						0	0	0
WOODY STEWART MEMBER	1 00	X						0	0	0
DAVID HUGHS MEMBER	1 00	X						0	0	0
JIM SYFAN MEMBER	1 00	X						0	0	0
PAUL MANEY MEMBER	1 00	X						0	0	0
DENISE DEAL MEMBER	1 00	X						0	0	0
JOHN NIX MEMBER	1 00	X						0	0	0
JAMES GARDNER PRESIDENT & CEO UNTIL 11/2010	40 00			X				940,277	0	491,707
CAROL BURRELL PRESIDENT & CEO EFFECTIVE 11/2010	40 00			X				488,837	0	220,957
TRACY VARDEMAN VP - NGHS	40 00			X				253,008	0	65,108
JAMES BAILEY MD VP - NGHS & CMIO	40 00			X				716,040	0	28,911
ANTHONY HERDENER VP - NGHS & CFO	40 00			X				451,479	0	138,464
PAUL VERVALIN VP - NGHS & CAO & PRESIDENT - NGPG	40 00			X				333,921	0	62,524
LINDA NICHOLSON CONTROLLER	40 00			X				228,401	0	69,342
DANE HENRY VP - NGMC	1 00			X				250,411	0	32,577
SANDRA JOHNSON VP - NGHS	40 00			X				263,603	0	25,983

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ALLANA CUMMINGS VP - NGHS & CIO	40 00			X				316,956	0	27,909
JAMES WALKER VP - NGHS	40 00			X				202,203	0	12,802
JACK S GLOVER EXEC DIRECTOR-MGD CARE-NGHP	40 00			X				209,689	0	24,874
JOHN A WILLIAMSON VP - NGMC	1 00				X			282,862	0	57,447
NANCY J MARTIN VP - NGMC & CNO	1 00				X			333,505	0	71,786
SAMUEL JOHNSON VP - NGMC & CMO	1 00				X			281,844	0	32,184
DEBORAH BAILEY EXECUTIVE DIRECTOR-GOV'T AFFAIRS	32 00					X		175,405	0	27,834
CATHY BOWERS DIRECTOR-PUBLIC RELATIONS	40 00					X		141,720	0	38,412
VICKI MILLER DIRECTOR-REGIONAL NETWORK	40 00					X		137,630	0	36,769
MICHAEL GLEASON DIRECTOR-FINANCIAL ANALYSIS	40 00					X		149,174	0	24,898
LOTUS WU MANAGER-CONTRACT	40 00					X		110,000	0	17,940
JOSEPH FULBRIGHT FORMER VP - NGHS	40 00						X	198,521	0	52,819

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of the organization	Employer identification number
NORTHEAST GEORGIA HEALTH SYSTEM INC	58-1694090

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		87,011
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		81,675
i	Other activities? If "Yes," describe in Part IV	Yes		55,850
j	Total lines 1c through 1i			224,536
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	NORTHEAST GEORGIA HEALTH SYSTEM, INC PAYS MEMBERSHIP DUES TO PROFESSIONAL AND TRADE ASSOCIATIONS, INCLUDING AMERICAN COLLEGE OF HEALTHCARE, GREATER HALL CHAMBER OF COMMERCE, GEORGIA CHAMBER OF COMMERCE, GEORGIA HOSPITAL ASSOCIATION, MEDICAL GROUP MANAGEMENT ASSOCIATION AND GEORGIA ALLIANCE A PORTION OF THESE DUES ARE DESIGNATED FOR LOBBYING ACTIVITIES BY THESE ORGANIZATIONS

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST GEORGIA HEALTH SYSTEM INC

Employer identification number
58-1694090

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		34,763,945		34,763,945
b Buildings		42,631,683	12,232,364	30,399,319
c Leasehold improvements		1,833,696	941,360	892,336
d Equipment		10,608,099	7,149,125	3,458,974
e Other		700,744	13,138	687,606
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				70,202,180

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
ESTIMATED LIABILITY FOR INSURANCE CLAIMS	26,608,063
UNFUNDED PENSION EXPENSE	30,079,866
DEFERRED COMP LIABILITY	4,570,100
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	61,258,029

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 (ASC740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
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 - 8	9	
10	Excess or (deficit) for the year per 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 should 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 should 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	NORTHEAST GEORGIA HEALTH SYSTEM, INC , NORTHEAST GEORGIA MEDICAL CENTER,INC , THE MEDICAL CENTER FOUNDATION, INC AND NORTHEAST GEORGIA PHYSICIANS GROUP, INC ARE CLASSIFIED AS ORGANIZATIONS EXEMPT FROM INCOME TAXES UNDER SECTION 501 (C) (3) OF THE INTERNAL REVENUE CODE AS SUCH, NO PROVISION FOR INCOME TAXES HAS BEEN MADE IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS NORTHEAST GEORGIA HEALTH PARTNERS, LLC AND STRATEGIC PHYSICIAN SERVICES, INC ARE TAXABLE ENTITIES AND ACCOUNT FOR INCOME TAXES IN ACCORDANCE WITH FASB ASC 740, INCOME TAXES AT SEPTEMBER 30, 2011, MANAGEMENT DOES NOT BELIEVE THE SYSTEM HOLDS ANY UNCERTAIN TAX POSITIONS THAT WOULD REQUIRE FINANCIAL STATEMENT RECOGNITION OR DISCLOSURE UNDER ASC 740 IT IS THE SYSTEM'S POLICY TO RECOGNIZE INTEREST AND/OR PENALTIES RELATED TO INCOME TAX MATTERS AS AN OPERATING EXPENSE

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST GEORGIA HEALTH SYSTEM INC

Employer identification number
58-1694090

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) AMERICAN LEGION POST 7765 BRADFORD ST GAINESVILLE,GA 30501	58-0537644	501 (C)(19)	5,000				COMMUNITY SUPPORT AND RECOGNITION
(2) GREATER HALL CHAMBER OF COMMERCE 230 EE BUTLER PARKWAY GAINESVILLE,GA 30503	58-0251406	501 (C)(6)	25,025				PLEDGE PAYMENT
(3) YES2SAVELIVES INC PO BOX 57148 ATLANTA,GA 30343	27-3310216	501(C)(3)	25,000				DONATIONS

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 0

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

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

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

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE MAJORITY OF GRANTS ARE TO 501(C)(3) ORGANIZATIONS BOARD APPROVAL IS OBTAINED THROUGH THE BUDGETING PROCESS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST GEORGIA HEALTH SYSTEM INC

Employer identification number
58-1694090

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☑ Housing allowance or residence for personal use ☑ Travel for companions ☐ Payments for business use of personal residence ☑ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		No
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☑ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☑ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	HOUSING COSTS WERE PAID FOR DURING THE RELOCATION OF VICE PRESIDENTS FROM OUT OF STATE COSTS WERE PAID FOR UP TO SEVEN MONTHS FOR THREE DIFFERENT VICE PRESIDENTS RELOCATION COSTS WERE INCLUDED IN TAXABLE INCOME HEALTH CLUB DUES PAID WERE FOR STANDARD MEMBERSHIP AT THE LOCAL YMCA FOR AN OFFICER THIS AMOUNT WAS INCLUDED IN TAXABLE COMPENSATION FOR THE OFFICER
	PART I, LINE 1B	THE ORGANIZATION WAS UNABLE TO SECURE APPROPRIATE LEVELS OF DISABILITY INSURANCE COVERAGE FOR THE CEO THE EMPLOYEE PAID THE EXPENSE AND WAS REIMBURSED FOR THE EXPENSE THE EXPENSE WAS GROSSED UP FOR APPLICABLE TAXES AND $3,239 WAS INCLUDED IN TAXABLE COMPENSATION NO WRITTEN POLICY FOR THIS EXISTED, HOWEVER, DUE TO CHANGES IN GROUP POLICY COVERAGE, THIS PRACTICE IS NO LONGER IN PLACE TAX-GROSSUPS ARE APPROVED BY THE COMPENSATION COMMITTEE THE ORGANIZATION PAID FOR THE COST OF SPOUSAL TRAVEL ON TWO OCCASIONS - THE TOP 100 HOSPITALS AWARD PROGRAM & CONFERENCE AND MORRISEY USER GROUP EDUCATION NO WRITTEN POLICY FOR THIS EXISTS, HOWEVER, BOTH OF THESE CONFERENCES WERE CONSIDERED IMPORTANT EVENTS THE VALUE OF THE SPOUSAL TRAVEL WAS INCLUDED IN REPORTABLE COMPENSATION FOR THE INDIVIDUALS
	PART I, LINES 4A-B	PART I, LINE 4A SEVERANCE PAYMENTS INCLUDED JAMES GARDNER, JR WAS EMPLOYED BY NORTHEAST GEORGIA HEALTH SYSTEM FROM MARCH 2004 UNTIL MARCH 2011 MR GARDNER WAS HIRED TO SERVE AS PRESIDENT AND CEO OF THE SYSTEM HE WAS PAID SEVERANCE OF $115,684 BASED ON THE TERMS OF HIS EMPLOYMENT CONTRACT PART I, LINE 4B EMPLOYER CONTRIBUTION TO 457(F) EXECUTIVE RETIREMENT BENEFIT PLAN JAMES GARDNER $435,808 ANTHONY HERDENER $75,649 PAUL VERVALIN $32,502 JOSEPH FULBRIGHT $12,831 TRACY VARDEMAN $23,705 LINDA NICHOLSON $19,596 CAROL BURRELL $167,565 DANE HENRY $21,168 JOHN A WILLIAMSON $23,512 NANCY J MARTIN $24,159 ALLANA CUMMINGS $17,544 SANDRA JOHNSON $15,241 SAMUEL JOHNSON $13,390 EMPLOYER PAYMENT FROM 457(F) PLAN (INCLUDING VESTED EARNINGS ON PREVIOUSLY REPORTED COMPENSATION) JOHN A WILLIAMSON $23,905 NANCY J MARTIN $69,585 TRACY VARDEMAN $21,361 DANE HENRY $19,622 LINDA NICHOLSON $20,782

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 58-1694090
Name: NORTHEAST GEORGIA HEALTH SYSTEM INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
PIERPONT F BROWN III MD	(I)	553,881	0	18,845	8,575	22,365	603,666	0
	(II)	0	0	0	0	0	0	0
DAN WINSTON MD	(I)	147,368	12,462	2,607	3,746	5,581	171,764	0
	(II)	0	0	30,300	0	0	30,300	0
JAMES GARDNER	(I)	440,268	350,452	149,557	458,428	33,279	1,431,984	0
	(II)	0	0	0	0	0	0	0
CAROL BURRELL	(I)	323,391	135,933	29,513	197,133	23,824	709,794	0
	(II)	0	0	0	0	0	0	0
TRACY VARDEMAN	(I)	166,664	69,011	17,333	42,959	22,149	318,116	18,957
	(II)	0	0	0	0	0	0	0
JAMES BAILEY MD	(I)	695,112	0	20,928	9,366	19,545	744,951	0
	(II)	0	0	0	0	0	0	0
ANTHONY HERDENER	(I)	296,905	122,055	32,519	109,530	28,934	589,943	0
	(II)	0	0	0	0	0	0	0
PAUL VERVALIN	(I)	243,234	79,672	11,015	41,253	21,271	396,445	0
	(II)	0	0	0	0	0	0	0
LINDA NICHOLSON	(I)	145,176	74,847	8,378	53,361	15,981	297,743	18,443
	(II)	0	0	0	0	0	0	0
DANE HENRY	(I)	170,087	79,742	582	24,642	7,935	282,988	17,414
	(II)	0	0	0	0	0	0	0
SANDRA JOHNSON	(I)	150,745	105,000	7,858	18,272	7,711	289,586	0
	(II)	0	0	0	0	0	0	0
ALLANA CUMMINGS	(I)	192,692	105,000	19,264	22,318	5,591	344,865	0
	(II)	0	0	0	0	0	0	0
JAMES WALKER	(I)	108,301	48,500	45,402	3,150	9,652	215,005	0
	(II)	0	0	0	0	0	0	0
JACK S GLOVER	(I)	159,550	49,844	295	6,835	18,039	234,563	0
	(II)	0	0	0	0	0	0	0
JOHN A WILLIAMSON	(I)	190,616	74,767	17,479	39,633	17,814	340,309	21,215
	(II)	0	0	0	0	0	0	0
NANCY J MARTIN	(I)	191,039	126,199	16,267	59,073	12,713	405,291	65,521
	(II)	0	0	0	0	0	0	0
SAMUEL JOHNSON	(I)	186,579	77,235	18,030	17,929	14,255	314,028	0
	(II)	0	0	0	0	0	0	0
DEBORAH BAILEY	(I)	163,477	10,773	1,155	19,841	7,993	203,239	0
	(II)	0	0	0	0	0	0	0
CATHY BOWERS	(I)	122,236	17,887	1,597	33,928	4,484	180,132	0
	(II)	0	0	0	0	0	0	0
VICKI MILLER	(I)	112,449	16,719	8,462	14,241	22,528	174,399	0
	(II)	0	0	0	0	0	0	0
MICHAEL GLEASON	(I)	109,912	25,503	13,759	10,913	13,985	174,072	0
	(II)	0	0	0	0	0	0	0
JOSEPH FULBRIGHT	(I)	98,951	80,278	19,292	46,801	6,018	251,340	0
	(II)	0	0	0	0	0	0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST GEORGIA HEALTH SYSTEM INC

Employer identification number
58-1694090

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV **Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) GASTROENTEROLOGY ASSOCIATES	STEPHEN MOORE M D , BOARD MEMBER	47,473	NORTHEAST GEORGIA HEALTH SYSTEM, INC PAYS FEES TO GASTROENTEROLOGY ASSOCIATES STEPHEN MOORE M D , BOARD MEMBER OF THE ORGANIZATION IS AN OFFICER OF GASTROENTEROLOGY ASSOCIATES ALL TRANSACTIONS WERE AT ARM'S LENGTH		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493228001072

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 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
NORTHEAST GEORGIA HEALTH SYSTEM INC

Employer identification number
58-1694090

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		BOARD MEMBERS DAVID HUGHS AND WOODY STEWART ALSO SERVE AS BOARD MEMBERS FOR MCKIBBON BROTHERS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		INFORMATION FOR THE FORM 990 WAS PROVIDED TO AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT FOR PREPARATION OF RETURN AFTER THE RETURN WAS PREPARED, IT WAS REVIEWED BY SENIOR FINANCIAL MANAGEMENT THE 990 IS MADE AVAILABLE TO MEMBERS OF THE BOARD PRIOR TO FILING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	BOARD MEMBERS ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE ANNUALLY EMPLOYEES ATTEST TO THEIR UNDERSTANDING AND REPORTING/DISCLOSURE REQUIREMENTS AT HIRE AND ANNUALLY COMPLIANCE IS MONITORED CONTINUOUSLY THROUGHOUT THE YEAR BY THE BOARD

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION COMMITTEE OF THE NORTHEAST GEORGIA HEALTH SYSTEM BOARD (NGHS BOARD) HAS DEVELOPED AND INSTALLED COMPENSATION POLICIES AND PROCEDURES THAT SEEK TO FURTHER THE PURPOSE OF NGHS AND AFFILIATES AND THE IMPORTANCE OF THESE POLICIES TO ATTRACT AND RETAIN KEY EMPLOYEES THE COMPENSATION COMMITTEE IS COMPOSED ENTIRELY OF DIRECTORS WHO ARE NOT EMPLOYEES OF NGHS ALL DECISIONS OF THE COMPENSATION COMMITTEE ARE REVIEWED AND RATIFIED BY THE NGHS BOARD THE COMMITTEE'S METHODOLOGY AND APPROACH INCORPORATES BOTH QUALITATIVE AND QUANTITATIVE CONSIDERATIONS, WHICH ARE REFLECTED IN THE COMMITTEE'S DETERMINATIONS CONCERNING KEY EMPLOYEE COMPENSATION AND THE SPECIFIC COMPONENTS THEREOF THE COMPENSATION DECISIONS OF THE COMMITTEE ARE DESCRIBED BELOW AS TO EACH OF THE THREE CATEGORIES BASE SALARY ANNUAL BASE SALARIES ARE SET AT COMPETITIVE LEVELS WITH HEALTHCARE INSTITUTIONS OF A SIMILAR SIZE AND COMPLEXITY FROM THROUGHOUT THE COUNTRY SPECIFICALLY THE COMMITTEE CONSIDERS PEER GROUP COMPARISONS FROM SURVEY DATA FOR OTHER HEALTH SYSTEMS, RECOMMENDATIONS FROM AN INDEPENDENT COMPENSATION CONSULTANT, AND INDIVIDUAL PERFORMANCE ASSESSMENTS FOR EACH POSITION IN EACH INSTANCE THE COMMITTEE MEMBERS REACH A CONSENSUS BASED ON THE COMBINATION OF AVAILABLE INFORMATION, AND THE COMMITTEE SETS A BASE SALARY LEVEL FOR EACH KEY EMPLOYEE PERFORMANCE BASED VARIABLE COMPENSATION NUMEROUS PERFORMANCE GOALS ARE QUANTITATIVE IN NATURE, RESULTING IN A PERFORMANCE BASED VARIABLE COMPENSATION COMPONENT THAT IS WEIGHTED TOWARD ATTAINING NGHS BOARD-APPROVED GOALS AND OBJECTIVES ANNUAL GOALS AND OBJECTIVES ARE ESTABLISHED THROUGH A FORMAL PLANNING PROCESS INVOLVING BOARD AND COMMUNITY MEMBERS THE BOARD APPROVES THESE GOALS AND OBJECTIVES AT THE BEGINNING OF EACH YEAR OFFICERS AND KEY EMPLOYEES RECEIVE CASH AWARDS AS A FORMULA DRIVEN PERCENTAGE OF BASE SALARY LEVELS BASED ON ACHIEVEMENT AND PREDETERMINED INDIVIDUAL OBJECTIVES BENEFITS AND RETENTION PROGRAMS BENEFIT CATEGORIES AND AMOUNTS ARE DETERMINED BY A COMPARISON PROCESS SIMILAR TO DETERMINING BASE SALARIES WITH POSITIONS AND ORGANIZATIONS SIMILAR TO NGHS INCLUDED IN BENEFITS ARE RETIREMENT PROGRAMS TO ENHANCE RETENTION AND PROGRESS TOWARD LONG-TERM GOALS WITHIN NGHS' MISSION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	FINANCIAL STATEMENTS AND STATISTICS ARE FILED QUARTERLY WITH DIGITAL ASSURANCE CERTIFICATION, LLC (DAC BOND) DAC BOND SERVES AS A DISCLOSURE DISSEMINATION AGENT FOR ISSUERS OF MUNICIPAL BONDS ELECTRONICALLY POSTING AND TRANSMITTING INFORMATION TO REPOSITORIES AND INVESTORS ALL OTHER ITEMS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -9,097,051 INTERCOMPANY FORGIVENESS 1,241,532 MINIMUM PENSION LIABILITY ADJUSTMENT -6,236,408 PARTNERSHIP INCOME NOT ON BOOKS -100,571 TOTAL TO FORM 990, PART XI, LINE 5 -14,192,498

Identifier	Return Reference	Explanation
	FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS	LOCATED IN THE NORTHEASTERN SECTION OF THE STATE IN HALL COUNTY, NORTHEAST GEORGIA MEDICAL CENTER (NGMC) IS A 557-BED NOT-FOR-PROFIT REGIONAL REFERRAL FACILITY THAT PROVIDES A COMP REHENSIVE RANGE OF ACUTE CARE AND SPECIALTY SERVICES THROUGH ITS ROLE AS A REGIONAL SAFET Y NET HOSPITAL, NGMC SERVES THE AREA'S LOW-INCOME, UNINSURED, UNDERINSURED AND OTHER VULNE RABLE POPULATIONS APPROXIMATELY HALF OF NGMC'S PATIENTS COME FROM OUTSIDE OF HALL COUNTY AS A NOT-FOR-PROFIT HOSPITAL, NGMC REINVESTS ALL FUNDS IN EXCESS OF OPERATING EXPENSES IN TO HEALTHCARE SERVICES FOR THE COMMUNITY THE MEDICAL CENTER RECEIVES NO OPERATING FUNDS F ROM HALL OR OTHER COUNTIES SERVED, AND SERVICES ARE FUNDED BY REVENUE GENERATED FROM OPERA TIONS NGMC PROVIDED INDIGENT CARE TO HALL COUNTY RESIDENTS AT A COST OF $15,647,060 MILLI ON IN 2011, WITH ANOTHER $10,937,273 MILLION PROVIDED TO REGIONAL RESIDENTS OUTSIDE HALL C OUNTY THE MEDICAL CENTER'S CHARITY CARE POLICY PROVIDES FINANCIAL ASSISTANCE UP TO 300 PE RCENT OF THE POVERTY LEVEL - DOUBLE THE AMOUNT GENERALLY PROVIDED BY OTHER HOSPITALS ACROS S THE STATE THE HOSPITAL IS A KEY PARTICIPANT AND FISCAL SPONSOR IN PROGRAMS AIMED AT TRE ATING LOW-INCOME AND UNINSURED PATIENTS, INCLUDING THE GOOD NEWS CLINICS, THE LARGEST FREE HEALTH CARE CLINIC IN GEORGIA, AND HEALTH ACCESS INITIATIVE (HAI), A LOCAL SERVICE THAT M ATCHES FINANCIALLY ELIGIBLE PATIENTS TO SPECIALTY PHY SICIANS AND PROVIDES ACCESS TO CARE, AMONG OTHER SERVICES ADDITIONALLY - LOCATED IN GEORGIA'S FASTEST GROWING REGION, THE 61- YEAR-OLD HOSPITAL HAS EXPANDED CONSIDERABLY IN RECENT YEARS TO MEET DEMAND AND UPDATE ITS AGING PLANT, INVESTING A QUARTER OF A BILLION DOLLARS IN ITS FACILITIES, - NGMC'S QUALITY OF CARE IS OFTEN AWARDED, AND THE HOSPITAL RANKS AMONG THE TOP IN THE STATE FOR CARDIAC SE RVICES, - SINCE 2000, NGMC HAS PROVIDED NEARLY THREE TIMES THE AMOUNT OF INDIGENT AND CHAR ITY CARE SET FORTH IN REQUIREMENTS BY THE GEORGIA DEPARTMENT OF COMMUNITY HEALTH FOR SUCCE SSFUL PASSAGE OF A CERTIFICATE OF NEED FOR NEW SERVICES, AND, UNLIKE MANY GEORGIA NOT-FOR- FOR PROFIT HOSPITALS HELD TO THE SAME REQUIREMENTS, NGMC DOES NOT RECEIVE TAX FUNDING FROM ITS LOCAL COUNTY TO HELP FUND INDIGENT CARE TO AREA RESIDENTS, - NGMC IS THE PRIMARY HOSP ITAL FOR LOW-INCOME PATIENTS IN GAINESVILLE-HALL COUNTY AND THROUGHOUT THE REGION IN COUNT IES SUCH AS BANKS, LUMPKIN, AND WHITE, WHERE MANY KEY MEDICAL SPECIALTIES ARE NOT AVAILABL E NORTHEAST GEORGIA MEDICAL CENTER IN CALENDAR YEAR 2010, THE LATEST DATA AVAILABLE, NGMC WAS FIFTH IN THE STATE FOR NET UNCOMPENSATED CARE NGMC PROVIDED INDIGENT CARE TO HALL CO UNTY RESIDENTS AT A COST OF $15,647,060 MILLION IN 2011, WITH ANOTHER $10,937,273 MILLION PROVIDED TO REGIONAL RESIDENTS OUTSIDE HALL COUNTY NGMC RECEIVES NO LOCAL TAX REVENUE FRO M HALL COUNTY (OR ANY COUNTIES SERVED IN REGION 2) TO SUPPORT OPERATIONS OR CARE PROVIDED TO INDIGENT RESIDENTS, UNLIKE A NUMBER OF NOT-FOR-PROFIT HOSPITALS NGMC SERVES AS A FINAN CIAL ENGINE FOR ITS LOCAL ECONOMY IN 2009 (LATEST NUMBERS AVAILABLE), THE HOSPITAL GENERA TED NEARLY A BILLION DOLLARS IN REVENUE FOR THE LOCAL ECONOMY, ACCORDING TO A REPORT BY TH E GEORGIA HOSPITAL ASSOCIATION, WHICH APPLIED AN ECONOMIC MULTIPLIER TO THE HOSPITAL'S DIR ECT EXPENDITURES TO ACCOUNT FOR THE "RIPPLE" EFFECT THE HOSPITAL'S SPENDING HAS ON OTHER S ECTORS OF THE LOCAL ECONOMY APPLY ING AN EMPLOY MENT MULTIPLIER, THE REPORT FOUND THAT THE HOSPITAL SUSTAINED MORE THAN 8,000 JOBS IN 2009 IN ADDITION TO THE MORE THAN 4,000 EMPLOYE D DIRECTLY BY NORTHEAST GEORGIA HEALTH SYSTEM UNDER THE IRS LAW, A TAX-EXEMPT ORGANIZATIO N, CLASSIFIED AS A 501(C)(3) CHARITY, IS REQUIRED TO HAVE A MISSION THAT WILL BENEFIT ITS COMMUNITY, REINVEST ALL SURPLUS FUNDS IN THE ORGANIZATION IN A WAY THAT BENEFITS THE COMM UNITY, COMPENSATE EXECUTIVES, CONTRACTORS AND OTHER EMPLOYEES IN ACCORDANCE WITH FAIR MARK ET VALUE, REMAIN ACCOUNTABLE TO THE COMMUNITY, REFRAIN FROM PARTICIPATING IN POLITICAL CAM PAIGNS FOR OR AGAINST CANDIDATES, REFRAIN FROM LOBBY ING AS A SUBSTANTIAL PART OF ITS ACTIV ITIES, AND, REMAIN FINANCIALLY ACCOUNTABLE TO THE COMMUNITY BY NOT ALLOWING ANY PORTION OF ITS NET EARNINGS TO BENEFIT ANY PRIVATE SHAREHOLDER OR INDIVIDUAL AS A NOT-FOR-PROFIT HO SPITAL, NGMC CARRIES ADDITIONAL RESPONSIBILITIES, AS ESTABLISHED BY THE IRS IN 1969 OPE RATE A FULL-TIME EMERGENCY ROOM THAT IS AVAILABLE TO ALL PEOPLE, REGARDLESS OF THEIR ABILI TY TO PAY, - NGMC OPERATES THE 2ND BUSIEST ER IN GEORGIA IN 2011, APPROXIMATELY 25% OF AL L NGMC'S EMERGENCY ROOM VISITS WERE MADE BY SELF-PAY PATIENTS PROVIDE NON-EMERGENCY SER VICES TO ANYONE ABLE TO PAY, - NORTHEAST GEORGIA HEALTH SYSTEM PROVIDES HIGH QUALITY, ADVA NCED SPECIALTY AND PRIMARY HEALTHCARE SERVICES TO THE NORTHEAST GEORGIA COMMUNITY, SERVING ALMOST 700,000 PEOPLE IN MORE THAN 13 COUNTIES IN FY2011, NGMC'S PAYOR MIX WAS 50% MEDIC ARE/MEDICAID, 36% COMMERCIAL INSURANCE AND 12% SELF-PAY PARTICIPATE IN MEDICAID AND MED ICARE, - 50% OF PATIENTS SERVED BY NGMC IN FY10 WE

Identifier	Return Reference	Explanation
	FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS	RE MEDICAID AND MEDICARE PATIENTS CREATE A GOVERNING BOARD THAT IS REPRESENTATIVE OF TH E COMMUNITY IT SERVES, - MORE THAN 75 COMMUNITY MEMBERS ARE ACTIVELY INVOLVED IN GOVERNANC E THROUGH NORTHEAST GEORGIA HEALTH SYSTEM, NGMC AND OTHER SUBSIDIARY BOARDS AND COMMITTEES ALLOW MEDICAL STAFF PRIVILEGES TO ANY PROFESSIONAL WHO IS QUALIFIED AND APPLIES, AND, - NGMC HAS A MEDICAL STAFF OF MORE THAN 500 PHYSICIANS REPRESENTING NUMEROUS ADVANCED SPEC IALTIES SUCH AS GYNECOLOGIC ONCOLOGY, ELECTROPHYSIOLOGY, CARDIAC SURGERY, CRITICAL CARE ME DICINE, NEONATOLOGY AND PERINATOLOGY REINVEST SURPLUS FUNDS IN OPERATIONS - AS NOT-FOR -PROFIT ORGANIZATIONS, NGMC AND ITS PARENT ORGANIZATION, NORTHEAST GEORGIA HEALTH SYSTEM, REINVEST ALL REVENUE GENERATED ABOVE OPERATING EXPENSES INTO THE COMMUNITY THROUGH NEW FAC ILITIES, SUCH AS THE NORTH PATIENT TOWER AND WOMEN AND CHILDREN'S PAVILION, AND IN NEW ADV ANCED TECHNOLOGY, SUCH AS THE REGION'S FIRST 3T MRI, THE STATE'S FIRST STEREOTAXIS ODYSSEY MAGNETIC CATHETERIZATION SYSTEM AND REGION 2'S ONLY HYPERBARIC OXYGEN THERAPY CHAMBER NG MC PARTICIPATES IN THE INDIGENT CARE TRUST FUND (ICTF), A 20-YEAR-OLD PROGRAM THAT EXPANDS MEDICAID ELIGIBILITY AND SERVICES, SUPPORTS RURAL HEALTH CARE FACILITIES THAT SERVE THE M EDICALLY INDIGENT AND FUNDS PRIMARY HEALTH CARE PROGRAMS FOR MEDICALLY INDIGENT GEORGIANS GEORGIA'S DISPROPORTIONATE SHARE HOSPITAL (DSH) PROGRAM IS FUNDED THROUGH THE ICTF, AND A SSISTS HOSPITALS AND OTHER HEALTH PROVIDERS THAT CARE FOR HIGH PROPORTIONS OF MEDICAID, UN INSURED AND/OR LOW-INCOME PATIENTS IN 2011, NGMC RECEIVED $10,412,862 IN NET FUNDS ALLOCA TED THROUGH THE ICTF, UPL, AND DSH PROGRAM TO PARTIALLY OFFSET A FINANCIAL LOSS OF $41 5 M ILLION IN COST THE MEDICAL CENTER INCURRED TREATING UNINSURED AND MEDICAID PATIENTS

Identifier	Return Reference	Explanation
		COMMUNITY BENEFITS SITUATED IN A REGION WITH AN UNINSURED RATE THAT IS HIGHER THAN THE STA TE AVERAGE, AREA HEALTH CONSUMERS CAN FACE SIGNIFICANT BARRIERS IN AFFORDING CARE. NGMC HA S SIGNIFICANTLY CONTRIBUTED TO LOCAL PROGRAMS THAT AIM TO ADDRESS THESE ISSUES, PRIMARILY THROUGH ITS SUPPORT OF THE GOOD NEWS CLINICS AND HEALTH ACCESS INITIATIVE (HAI). GOOD NEWS CLINICS WITHIN HALL COUNTY, THERE ARE SEVERAL LOW-COST ALTERNATIVES TO HELP PEOPLE AVOID CHOOSING THE HOSPITAL'S EMERGENCY DEPARTMENT FOR PRIMARY CARE SERVICES. SERVING AS THE LAR GEST FREE CLINIC IN GEORGIA, THE GOOD NEWS CLINICS OFFERS PRIMARY MEDICAL, OPHTHALMOLOGY S ERVICES AND DENTAL CARE, AS WELL AS MEDICATIONS TO INDIGENT, HOMELESS AND LOW-INCOME INDIV IDUALS AT OR BELOW 150 PERCENT OF THE FEDERAL POVERTY LEVEL IN HALL COUNTY WHO HAVE NO HEA LTHCARE INSURANCE AND CANNOT AFFORD HIS OR HER MEDICAL CARE. ALL SERVICES ARE PROVIDED FRE E OF CHARGE, EVEN THOUGH THE CLINIC RECEIVES NO FEDERAL, STATE OR LOCAL GOVERNMENT FUNDING. PATIENTS WHO NEED SPECIALTY CARE ARE REFERRED TO HEALTH ACCESS INITIATIVE. SINCE 1999, N GMC HAS PROVIDED $3,247,030 IN SUPPORT OF GOOD NEWS CLINICS AND AN AVERAGE ANNUAL SUPPORT OF $299,095 FROM FY2007-2011. IN 2011, NGMC CONTRIBUTED OVER $265,000 IN FINANCIAL SUPPORT. HALL COUNTY MEDICAL SOCIETY'S HEALTH ACCESS INITIATIVE LAUNCHED IN 2003, HALL COUNTY'S H EALTH ACCESS INITIATIVE (HAI) IS A REFERRAL SERVICE FOUNDED BY THE HALL COUNTY MEDICAL SOC IETY THAT MATCHES FINANCIALLY ELIGIBLE PATIENTS TO PHYSICIANS WHO HAVE VOLUNTEERED TO PROV IDE FREE TREATMENT TO PATIENTS WHO QUALIFY FOR SERVICES, PROVIDES HELP WITH OBTAINING MEDI CATIONS AND OFFERS ANCILLARY SERVICES SUCH AS X-RAYS AND TRANSLATION SERVICES. HAI ALSO PR OVIDES ANCILLARY SERVICES AND OUTREACH EDUCATION FOR ITS COMMUNITY, AND COLLABORATES WITH OTHER MEDICAL CENTERS, SUCH AS NGMC. IN 2011, APPROXIMATELY 1,800 PEOPLE WERE ASSISTED WIT H NEEDED MEDICAL CARE THROUGH HAI. TO QUALIFY FOR ITS SERVICES, A PATIENT'S INCOME MUST BE AT OR BELOW 150 PERCENT FEDERAL POVERTY LEVEL AND HAVE NO MEDICAL INSURANCE. THE PATIENT MUST LIVE IN HALL COUNTY AND MUST BE REFERRED BY A PHYSICIAN THAT IS IN THE HAI NETWORK. F IRST CONCEIVED IN 1998, THE NEED FOR THE PROGRAM WAS LARGELY DETERMINED BY A COMMUNITY NEE DS ASSESSMENT CONDUCTED BY HEALTHY HALL, A COALITION OF COMMUNITY MEMBERS, INCLUDING NGMC. SINCE ITS LAUNCH, THE HOSPITAL HAS FISCALLY CONTRIBUTED TO HAI. SPECIFICALLY, IN 2011, OV ER $14 MILLION IN DONATED HOSPITAL SERVICES WAS PROVIDED TO LOW INCOME, UNINSURED PATIENTS THROUGH HEALTH ACCESS. IN ADDITION, SINCE 2005, HAI HAS RECEIVED MORE THAN $1,213,000 FRO M THE MEDICAL CENTER FOUNDATION. OTHER HAI PARTNERS INCLUDE THE HALL COUNTY HEALTH DEPARTM ENT AND MEDLINK OF GAINESVILLE, A FEDERALLY QUALIFIED HEALTH CENTER. IN 2006, HEALTHCARE G EORGIA FOUNDATION NAMED THE HAI PROGRAM "COMMUNITY SERVICE COLLABORATIVE OF THE YEAR." NGM C ALSO PLAYS A MAJOR ROLE IN FUNDING A PRIMARY CARE CLINIC AT THE HALL COUNTY HEALTH DEPAR TMENT TO IMPROVE ACCESS TO PRIMARY HEALTHCARE SERVICES FOR LOW-INCOME PEOPLE IN OUR COMMUN ITY. IN FY11, NGMC CONTRIBUTED OVER $1 2 MILLION. IN FY11, NORTHEAST GEORGIA MEDICAL CENTE R RECEIVED A NATIONAL CHARITABLE HEALTHCARE AWARD FROM JACKSON HEALTHCARE FOR COLLABORATIV E SUPPORT OF GOOD NEWS CLINICS AND HEALTH ACCESS INITIATIVE. ADDITIONAL HIGHLIGHTS OF COMM UNITY BENEFIT PROGRAMS NGMC VALUES COOPERATIVE EFFORTS WITH COMMUNITY SERVICES AND OTHER H EALTHCARE PROVIDERS TO IMPROVE THE HEALTH STATUS OF AREA CITIZENS. NGMC DEMONSTRATES ITS V ALUE FOR COLLABORATIVE EFFORTS WITHIN THE COMMUNITY THROUGH MANY PARTNERSHIPS RANGING FROM SERVING AS LEAD AGENCY OF THE SAFE KIDS COALITION OF GAINESVILLE-HALL COUNTY, TO PARTNERI NG WITH COMMUNITY HEALTH ORGANIZATIONS, TO HELPING REACH AT-RISK POPULATIONS IN NEED OF HE ALTHCARE. IN FY11, OVER $4 4 MILLION WAS PROVIDED IN COMMUNITY BENEFIT PROGRAMS/OUTREACH. COMMUNITY EDUCATION WAS PROVIDED THROUGH FREE COMMUNITY LECTURES, VARIOUS SUPPORT GROUPS, AND THE SEMI-ANNUAL HEALTH MAGAZINE, COMMUNICARE. PRESENTATIONS WERE MADE THROUGH THE SPEA KER'S BUREAU, AND NGMC ALSO OFFERED SMOKING CESSATION CLASSES, AS WELL AS LIVING LIGHTER, A WEIGHT LOSS PROGRAM. IN FY11, MORE THAN 600 NGMC VOLUNTEERS CONTRIBUTED MORE THAN 61,000 VOLUNTEER HOURS, EQUIVALENT TO 36 FULL TIME EMPLOYEES AND A VALUE OF OVER $1 3 MILLION. W HILE THESE FIGURES ARE NOT INCLUDED IN THE QUANTITATIVE PORTION OF THE COMMUNITY BENEFIT R EPORT, THEY SHOW THE DEPTH OF SUPPORT THE COMMUNITY GIVES NGMC. THE MEDICAL CENTER FOUNDAT ION RAISES FUNDS TO BENEFIT THE COMMUNITY. THE MEDICAL CENTER FOUNDATION IS THE FUNDRAISING ARM OF NORTHEAST GEORGIA MEDICAL CENTER AND HEALTH SYSTEM AND RAISES FUNDS TO IMPROVE THE HEALTH OF THE COMMUNITY. THE FOUNDATION'S OPERATING EXPENSES ARE SUPPORTED BY NGMC SO THA T DONATED FUNDS CAN BE USED TO SUPPORT NGMC PROJECTS AND COMMUNITY HEALTH IMPROVEMENT INIT IATIVES. FOLLOWING ARE ITEMS OF INTEREST TO NOTE. - SINCE 1997, OVER $2 2 MILLION HAS BEEN RAISED FOR COMMUNITY HEALTH IMPROVEMENT PROJECTS

Identifier	Return Reference	Explanation
		THROUGH THE MEDICAL CENTER OPEN GOLF TOURNAMENT - THE 2010 MEDICAL CENTER OPEN GOLF TOURN AMENT, HELD IN FY11, RAISED OVER $186,000 TO BENEFIT THE HALL COUNTY FIRE SERVICES AED PRO GRAM AND THE NORTHEAST GEORGIA REGIONAL STEMI PROGRAM TO PROVIDE LIFE-SAVING CARDIAC EQUIP MENT FOR GAINESVILLE CITY AND HALL COUNTY SCHOOLS AND GEORGIA'S REGION II EMS - THE MEDIC AL CENTER FOUNDATION AND THE W A T C H (WE ARE TARGETING COMMUNITY HEALTHCARE) EMPLOYEE-G IVING CLUB RECEIVED THE 2011 SPIRIT OF PHILANTHROPY AWARD FOR BEST EMPLOYEE GIVING PROGRAM FROM THE GEORGIA HOSPITAL ASSOCIATION'S GEORGIA ASSOCIATION FOR DEVELOPMENT PROFESSIONALS W A T C H MEMBERS HAVE DONATED MORE THAN $4 MILLION TO SUPPORT THE HEALTHY JOURNEY CAMP AIGN SINCE THE PROGRAM'S INCEPTION IN 2000 SAFE KIDS COALITION WORKS TO KEEP KIDS SAFE TH E GAINESVILLE-HALL COUNTY SAFE KIDS COALITION, LED BY NGMC, IS PART OF THE NATIONAL SAFE K IDS CAMPAIGN, THE FIRST AND ONLY NATIONAL ORGANIZATION DEDICATED SOLELY TO THE PREVENTION OF UNINTENTIONAL CHILDHOOD INJURY, WHICH IS THE NATION'S NUMBER ONE KILLER OF CHILDREN AGE S 14 AND UNDER THIS PROGRAM PROVIDES AFFORDABLE SAFETY EQUIPMENT SUCH AS CAR SEATS AND BI KE HELMETS TO AREA CHILDREN IN NEED WORKING WITH A COALITION MADE UP OF LAW ENFORCEMENT, AREA SCHOOLS, COMMUNITY VOLUNTEERS AND OTHERS, SAFE KIDS PROVIDES EDUCATIONAL MATERIALS AN D PROGRAMS THAT TEACH CHILDREN AND THEIR PARENTS HOW TO AVOID ACCIDENTS AND INJURIES SAFE KIDS CONTINUED THE WORK OF INJURY PREVENTION FOR FAMILIES IN THE HALL COUNTY COMMUNITY IN 2011 THANKS TO THE SUPPORT OF THE MEDICAL CENTER FOUNDATION AND THE HEALTHY JOURNEY CAMPA IGN IN FY11, MEMBERS OF THE GAINESVILLE-HALL COUNTY SAFE KIDS COALITION PROVIDED OVER 300 PROGRAMS AND EVENTS THAT REACHED AN ESTIMATED 51,000 CHILDREN AND THEIR FAMILY MEMBERS, T EACHERS AND CAREGIVERS THROUGH THESE PROGRAMS, OVER 3,000 SAFETY DEVICES WERE DISTRIBUTED TO FAMILIES WHO WERE IN NEED OF THEM GETTING OLDER AND BETTER WORKSHOP OVER 200 PEOPLE P ARTICIPATED IN THE GETTING OLDER AND BETTER WORKSHOP IN MAY AT FIRST UNITED METHODIST CHUR CH IN GAINESVILLE AND THE SPOUT SPRINGS LIBRARY IN FLOWERY BRANCH THIS EVENT WAS SPONSORE D BY THE MEDICAL CENTER AUXILIARY, PROVIDED BY NGMC, AND FEATURED SPEAKERS ON SURGICAL AND NON-SURGICAL OPTIONS FOR JOINT PAIN SPONSORSHIPS AND DONATIONS IN FY11, NGMC SPONSORED O R MADE A DONATION TO OVER 15 COMMUNITY AGENCIES SERVING HEALTH AND HUMAN SERVICE NEEDS, RA NGING FROM SUPPORTING THE AMERICAN CANCER SOCIETY TO TEEN PREGNANCY PREVENTION SPONSORSHI PS/DONATIONS TOTALED OVER $30,000 IN FY11

Identifier	Return Reference	Explanation
		EMPLOYEES LEAD THE WAY UNITED WAY PACESETTER & MORE NGMC COMPLETED ITS 2011 UNITED WAY CORNERSTONE CAMPAIGN 9/11 NGHS EMPLOYEES CONTRIBUTED OVER $136,000 TO UNITED WAY AS A CORNERSTONE COMPANY THIS IS 13% MORE THAN LAST YEAR AND $18,000 MORE THAN NGHS HAS EVER CONTRIBUTED AS AN ORGANIZATION NGMC EMPLOYEES ARE VERY ACTIVE IN THE COMMUNITY, VOLUNTEERING AT THE GOOD NEWS CLINICS, IN THEIR CHURCHES ON MISSION TRIPS AND FOR COMMUNITY AGENCIES SUCH AS THE HUMANE SOCIETY AND HABITAT FOR HUMANITY WHEN IT COMES TO SUPPORTING THE MEDICAL CENTER FOUNDATION'S EMPLOYEE GIVING CLUB, W A T C H (WE ARE TARGETING COMMUNITY HEALTHCARE), OVER 2,300 EMPLOYEES DONATED OVER $413,000 IN FY11 FLOYD HIGDON OF NGMC PLANT OPERATIONS RECEIVED THE BOYS AND GIRLS CLUBS' HELPING HANDS AWARD AT THEIR ANNUAL GALA FLOYD HAS SERVED ON THE BOYS AND GIRLS CLUBS BOARD OF DIRECTORS FOR OVER FIVE YEARS IN 2009, HE RECEIVED THEIR PRESIDENT'S AWARD FOR 1,400 HOURS OF VOLUNTEER SERVICES AND FOR ADDITIONAL VOLUNTEER EFFORTS WITH HIS CHURCH AND OVERSEAS MISSIONS GOVERNOR NATHAN DEAL APPOINTED DEB BAILEY, BSN, MSN, NGMC DIRECTOR OF GOVERNMENTAL RELATIONS, TO THE GEORGIA BOARD OF NURSING SHE SERVES ON THE HEALTH COMMITTEE OF THE GEORGIA CHAMBER OF COMMERCE AS WELL AS GEORGIA PUBLIC HEALTH COMMISSION AND NURSING EDUCATION STUDY GROUP DOUG CARTER, NGMC'S BOARD CHAIRMAN, SERVED AS THE CHAIRMAN OF THE GEORGIA CHAMBER OF COMMERCE IN 2011 CAROL BURRELL, NGMC'S CEO, WAS NAMED TO THE ATLANTA BUSINESS CHRONICLE'S TOP 100 NAMES AND FACES TO KNOW IN THE HEALTHCARE INDUSTRY BLOOD DRIVES NGMC EMPLOYEES DONATED OVER 311 UNITS OF BLOOD IN FY11, BENEFITTING OVER 900 INDIVIDUALS SUPPORT OF COMMUNITY EVENTS NGMC EMPLOYEES ALSO TURNED OUT IN FULL FORCE FOR COMMUNITY EVENTS SUCH AS THE AMERICAN HEART WALK, MARCH OF DIMES' WALKAMERICA AND AMERICAN CANCER SOCIETY'S RELAY FOR LIFE, AVERAGING PARTICIPATION OF 200-300 PER EVENT TRAINING AND EDUCATION FOR HEALTHCARE PROFESSIONALS AND OTHER STUDENTS NORTHEAST GEORGIA MEDICAL CENTER SUPPORTS THE TRAINING AND EDUCATION OF NURSES AND OTHER HEALTHCARE PROFESSIONALS - NGMC IS A TRAINING SITE FOR HANDICAPPED HIGH SCHOOL STUDENTS WHO WORK IN THE AREAS OF MATERIALS MANAGEMENT, NUTRITIONAL SERVICES, PHARMACY AND LINENS 21 STUDENTS AND 3 INSTRUCTORS PARTICIPATED IN FY11 - 64 STUDENTS FROM AREA HIGH SCHOOLS PARTICIPATED IN THE YOUTH APPRENTICESHIP PROGRAM IN FY11 - NGMC PARTNERS WITH LANIER TECH TO HOUSE A RADIOLOGY TECH PROGRAM AND HELPS FUND FACULTY, ALSO PROVIDES 2 PC LABS AND CLASSROOM SPACE FOR LANIER TECH'S LPN PROGRAM - 94 JOB SHADOWS WERE PLACED AT NGMC DURING FY11, ALLOWING HIGH SCHOOL AND POSTSECONDARY STUDENTS FROM AREA SCHOOLS TO SHADOW PROFESSIONAL HEALTHCARE STAFF

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
NORTHEAST GEORGIA HEALTH SYSTEM INC

Employer identification number
58-1694090

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) RIVER PLACE MEDICAL OFFICE PLAZA I LLC 743 SPRING STREET GAINESVILLE, GA 30501 58-1694090	RENTAL	GA	2,060,441	17,891,717	N/A
(2) NORTHEAST GA SPECIALTY GROUP LLC 743 SPRING STREET GAINESVILLE, GA 30501 26-0556238	HEALTHCARE CLINICS	GA	0	0	N/A
(3) NGHS QUICKCARE LLC 743 SPRING STREET GAINESVILLE, GA 30501 20-5064238	HEALTHCARE CLINICS	GA	0	0	N/A
(4) THE BRASELTON CLINIC LLC 743 SPRING STREET GAINESVILLE, GA 30501 26-0556190	HEALTHCARE CLINICS	GA	0	0	N/A
(5) NORTHEAST GEORGIA OCCUPATIONAL HEALTH LLC 743 SPRING STREET GAINESVILLE, GA 30501 58-2608332	OCCUPATIONAL MEDICINE	GA	0	0	N/A

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 organization	
						Yes	No
(1) NORTHEAST GEORGIA MEDICAL CENTER 743 SPRING STREET GAINESVILLE, GA 30501 58-1694098	HEALTHCARE	GA	501(C)(3)	LINE 3	NORTHEAST GEORGIA HEALTH SYSTEM INC		No
(2) NORTHEAST GEORGIA PHYSICIANS GROUP INC 743 SPRING STREET GAINESVILLE, GA 30501 58-2078064	HEALTHCARE	GA	501(C)(3)	LINE 11B, II	NORTHEAST GEORGIA HEALTH SYSTEM INC		No
(3) THE MEDICAL CENTER FOUNDATION 743 SPRING STREET GAINESVILLE, GA 30501 58-1694820	FUNDRAISING	GA	501(C)(3)	LINE 7	NORTHEAST GEORGIA HEALTH SYSTEM INC		No

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

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) NORTHEAST GA HEALTH PARTNERS LLC 743 SPRING STREET GAINESVILLE, GA30501 58-2131807	PPO DEVELOPMENT	GA	N/A	C	429,034	5,216	100 000 %
(2) STRATEGIC PHYSICIAN SERVICES INC 743 SPRING STREET GAINESVILLE, GA30501 26-0342081	PHYSICIAN SUPPORT SERVICES	GA	N/A	C		14,887	100 000 %

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 58-1694090
Name: NORTHEAST GEORGIA HEALTH SYSTEM INC

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	NORTHEAST GEORGIA HEALTH PARTNERS LLC	B	181,175	
(2)	NORTHEAST GEORGIA MEDICAL CENTER INC	B	1,186,844	
(3)	THE MEDICAL CENTER FOUNDATION INC	C	1,186,844	
(4)	NORTHEAST GEORGIA MEDICAL CENTER INC	C	26,675,133	
(5)	NORTHEAST GEORGIA PHYSICIAN GROUP INC	B	25,252,426	
(6)	NORTHEAST GEORGIA MEDICAL CENTER INC	C	1,065,045	
(7)	THE MEDICAL CENTER FOUNDATION INC	B	1,065,045	
(8)	NORTHEAST GEORGIA MEDICAL CENTER INC	D	103,634	
(9)	THE MEDICAL CENTER FOUNDATION INC	E	103,634	
(10)	NORTHEAST GEORGIA MEDICAL CENTER INC	C	1,547,498	
(11)	NORTHEAST GEORGIA MEDICAL CENTER INC	C	4,635,302	
(12)	NORTHEAST GEORGIA PHYSICIAN GROUP INC	B	4,635,302	
(13)	NORTHEAST GEORGIA MEDICAL CENTER INC	K	17,341,144	
(14)	NORTHEAST GEORGIA MEDICAL CENTER INC	O	49,908	
(15)	NORTHEAST GEORGIA HEALTH PARTNERS LLC	P	49,908	