

**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)

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

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

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <u>CALVERT MEMORIAL HOSPITAL OF CALVERT</u> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>100 HOSPITAL ROAD</u> City or town, state or country, and ZIP + 4 <u>PRINCE FREDERICK, MD 20678</u>	<b>D</b> Employer identification number <u>52-0619000</u>
		<b>E</b> Telephone number <u>(410) 535-4000</u>
		<b>G</b> Gross receipts \$ <u>111,779,991.</u>
<b>F</b> Name and address of principal officer: <u>JAMES XINIS</u> <u>100 HOSPITAL RD PRINCE FREDERICK, MD 20678</u>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c) ( 3 ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	<b>J</b> Website: <u>WWW.CALVERTHOSPITAL.COM</u>	
<b>K</b> Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other	<b>L</b> Year of formation: <u>1918</u>	<b>M</b> State of legal domicile: <u>MD</u>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>CALVERT MEMORIAL HOSPITAL PROVIDES QUALITY INPATIENT AND AMBULATORY HEALTH CARE TO THE PEOPLE OF SOUTHERN MARYLAND THAT IS ACCESSIBLE, COST-EFFECTIVE AND COMPASSIONATE.</u>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<u>21</u>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<u>18</u>
	<b>5</b> Total number of employees (Part V, line 2a)	<b>5</b>	<u>1,216</u>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<u>162</u>
	<b>7a</b> Total gross unrelated business revenue from Part VIII, line 12, column (C)	<b>7a</b>	<u>428,015.</u>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<u>-16,450.</u>	
<b>Revenue</b>	<b>8</b> Contribution and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)	<u>1,760,013.</u>	<u>732,900.</u>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>100,902,172.</u>	<u>108,791,050.</u>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>617,753.</u>	<u>645,883.</u>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>1,773,036.</u>	<u>1,565,713.</u>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<u>105,052,974.</u>	<u>111,735,546.</u>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		<u>699,505.</u>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		<u>NONE</u>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<u>46,796,907.</u>	<u>52,830,721.</u>
	<b>b</b> Total fundraising expenses, Part IX, column (D), line 25		<u>NONE</u>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<u>54,824,940.</u>	<u>55,043,257.</u>
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<u>101,621,847.</u>	<u>108,573,483.</u>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<u>3,431,127.</u>	<u>3,162,063.</u>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	Beginning of Year	End of Year
	<b>21</b> Total liabilities (Part X, line 26)	<u>106,424,568.</u>	<u>104,101,832.</u>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<u>73,455,752.</u>	<u>74,665,728.</u>

**Part II Signature Block**

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

**Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title \_\_\_\_\_

<b>Paid Preparer's Use Only</b>	Preparer's signature _____	Date <u>05/11/2010</u>	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) <u>P00482524</u>
	Firm's name (or yours if self-employed), address, and ZIP + 4 <u>COHEN, RUTHERFORD + KNIGHT, PC</u> <u>6903 ROCKLEDGE DRIVE, SUITE 500 BETHESDA, MD 20817-1800</u>	EIN <u>52-1202280</u>	Phone no. <u>301-828-1002</u>	

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

**Part III Statement of Program Service Accomplishments** (see instructions)

1 Briefly describe the organization's mission:

SEE STATEMENT 1

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 \$ 101,244,713. including grants of \$ 699,505. ) (Revenue \$ 108,791,050. )  
SEE STATEMENT 2

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 ► \$ 101,244,713. (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

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

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
<b>28</b>	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b>	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28a</b>	X
<b>b</b>	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28b</b>	X
<b>c</b>	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28c</b>	X
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>29</b>	X
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>30</b>	X
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	<b>31</b>	X
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	<b>32</b>	X
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	<b>33</b>	X
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	<b>34</b>	X
<b>35</b>	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>35</b>	X
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>36</b>	X
<b>37</b>	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? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	<b>37</b>	X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a through 12b regarding Form 1096, Form W-2G, Form W-3, and various tax compliance requirements.

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

**Section A. Governing Body and Management**

		Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body	21	
b	Enter the number of voting members that are independent	18	
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?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9a	Does the organization have local chapters, branches, or affiliates?		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies**

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

**Section C. Disclosure**

17	List the states with which a copy of this Form 990 is required to be filed	
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization: <u>ROBERT KERTIS 100 HOSPITAL ROAD PRINCE FREDERICK, MD 20678</u> <u>410-535-4000</u>	

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

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

**1a** Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and current key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, 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 the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-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 SCHEDULE J-2										

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

(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			
<b>1b Total</b>							2,614,952.	NONE	611,801.	

**2** Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **▶** 31

	Yes	No
<b>3</b> Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>4</b> 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? <i>If "Yes," complete Schedule J for such individual</i>	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
SEE STATEMENT 4		

**2** Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization **▶** 25



**Part VIII Statement of Revenue**

52-0619000

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>						
	<b>b</b> Membership dues . . . . .	<b>1b</b>						
	<b>c</b> Fundraising events . . . . .	<b>1c</b>						
	<b>d</b> Related organizations . . . . .	<b>1d</b>	305,256.					
	<b>e</b> Government grants (contributions) . . . . .	<b>1e</b>	427,644.					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . .	<b>1f</b>						
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ . . . . .							
	<b>h Total.</b> Add lines 1a-1f . . . . .			732,900.				
<b>Program Service Revenue</b>	<b>Business Code</b>							
	<b>2a</b> INPATIENT REVENUE . . . . .			27,073,927.	27,073,927.			
	<b>b</b> OUTPATIENT REVENUE . . . . .			23,084,301.	23,084,301.			
	<b>c</b> EMERGENCY REVENUE . . . . .			12,269,432.	12,269,432.			
	<b>d</b> OTHER PATIENT REVENUE . . . . .			631,013.	631,013.			
	<b>e</b> MEDICARE/MEDICAID REVENUE . . . . .			45,732,377.	45,732,377.			
	<b>f</b> All other program service revenue . . . . .							
	<b>g Total.</b> Add lines 2a-2f . . . . .			108,791,050.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .	STMT 5.		644,783.			644,783.	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .			NONE				
	<b>5</b> Royalties . . . . .			NONE				
	<b>6a</b> Gross Rents . . . . .	(i) Real	75,656.					
		(ii) Personal						
		<b>b</b> Less: rental expenses . . . . .		44,445.				
		<b>c</b> Rental income or (loss) . . . . .		31,211.				
	<b>d</b> Net rental income or (loss) . . . . .			31,211.		-19,463.	50,674.	
	<b>7a</b> Gross amount from sales of assets other than inventory . . . . .	(i) Securities						
		(ii) Other		1,100.				
		<b>b</b> Less: cost or other basis and sales expenses . . . . .						
		<b>c</b> Gain or (loss) . . . . .		1,100.				
	<b>d</b> Net gain or (loss) . . . . .			1,100.			1,100.	
	<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18. . . . .	<b>a</b>						
	<b>b</b> Less: direct expenses . . . . .	<b>b</b>						
	<b>c</b> Net income or (loss) from fundraising events . . . . .				NONE			
	<b>9a</b> Gross income from gaming activities. See Part IV, line 19. . . . .	<b>a</b>						
	<b>b</b> Less: direct expenses . . . . .	<b>b</b>						
<b>c</b> Net income or (loss) from gaming activities . . . . .				NONE				
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>							
<b>b</b> Less: cost of goods sold . . . . .	<b>b</b>							
<b>c</b> Net income or (loss) from sales of inventory . . . . .				NONE				
<b>Miscellaneous Revenue</b>			<b>Business Code</b>					
<b>11a</b> OTHER REVENUE . . . . .				382,156.			382,156.	
<b>b</b> PHARMACY SALES . . . . .		446110		10,150.	10,150.			
<b>c</b> JV MGMT - CHV . . . . .		561000		210,900.	210,900.			
<b>d</b> All other revenue . . . . .		621990		931,296.	226,428.	704,868.		
<b>e Total.</b> Add lines 11a-11d . . . . .				1,534,502.				
<b>12 Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . .				111,735,546.	108,791,050.	428,015.	1,783,581.	

**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).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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 . . .	699,505.	699,505.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 . . . . .	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 . . . . .	NONE			
4 Benefits paid to or for members . . . . .	NONE			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	2,332,477.		2,332,477.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages . . . . .	41,640,915.	39,581,978.	2,058,937.	
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	1,788,327.	1,602,819.	185,508.	NONE
9 Other employee benefits . . . . .	3,869,567.	3,483,132.	386,435.	
10 Payroll taxes . . . . .	3,199,435.	2,879,923.	319,512.	
11 Fees for services (non-employees):				
a Management . . . . .	465,963.	465,963.		
b Legal . . . . .	168,806.		168,806.	
c Accounting . . . . .	104,347.		104,347.	
d Lobbying . . . . .	NONE			
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees . . . . .	NONE			
g Other . . . . .	2,999,756.	2,999,756.		
12 Advertising and promotion . . . . .	160,320.	93,152.	67,168.	
13 Office expenses . . . . .	23,891,090.	23,661,595.	229,495.	
14 Information technology . . . . .	1,028,408.	836,199.	192,209.	
15 Royalties . . . . .	NONE			
16 Occupancy . . . . .	2,537,966.	2,445,454.	92,512.	
17 Travel . . . . .	145,653.	89,478.	56,175.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings . . . .	108,992.	86,244.	22,748.	
20 Interest . . . . .	2,976,585.	2,976,585.		
21 Payments to affiliates . . . . .	NONE			
22 Depreciation, depletion, and amortization . . . .	6,282,278.	6,282,278.		
23 Insurance . . . . .	1,059,896.	1,030,662.	29,234.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a PURCHASED SERVICES -----	3,524,519.	3,141,207.	383,312.	
b BAD DEBT -----	5,708,041.	5,708,041.		
c REPAIRS AND MAINTENANCE -----	2,047,551.	1,983,569.	63,982.	
d OTHER -----	1,824,120.	1,197,173.	626,947.	
e K-1 MD ECARE -----	8,966.		8,966.	
f All other expenses -----				
25 Total functional expenses. Add lines 1 through 24f	108,573,483.	101,244,713.	7,328,770.	NONE
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation . . . . .				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing . . . . .	9,872,496.	1	11,981,660.
	2	Savings and temporary cash investments . . . . .	NONE	2	5,045.
	3	Pledges and grants receivable, net . . . . .		3	
	4	Accounts receivable, net . . . . .	12,481,694.	4	12,080,509.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L . . . . .		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .		6	
	7	Notes and loans receivable, net . . . . . SFMT. 14 . . . . .	117,054.	7	42,944.
	8	Inventories for sales or use . . . . .	2,621,633.	8	2,573,220.
	9	Prepaid expenses and deferred charges . . . . . SFMT. 15 . . . . .	719,071.	9	754,272.
	10a	Land, buildings, and equipment: cost basis . . . . . 10a	116,944,351.		
	b	Less: accumulated depreciation. Complete Part VI of Schedule D . . . . . 10b	54,814,489.	10c	62,129,862.
	11	Investments - publicly traded securities . . . . . SFMT. 16 . . . . .	11,612,172.	11	8,443,075.
	12	Investments - other securities. See Part IV, line 11 . . . . .		12	
	13	Investments - program-related. See Part IV, line 11 . . . . .		13	
	14	Intangible assets . . . . .		14	
	15	Other assets. See Part IV, line 11 . . . . .	4,782,026.	15	6,091,245.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	106,424,568.	16	104,101,832.	
Liabilities	17	Accounts payable and accrued expenses . . . . .	10,388,775.	17	9,684,157.
	18	Grants payable . . . . .		18	
	19	Deferred revenue . . . . .		19	
	20	Tax-exempt bond liabilities . . . . .	55,196,360.	20	54,493,425.
	21	Escrow account liability. Complete Part IV of Schedule D . . . . .		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .		23	
	24	Unsecured notes and loans payable . . . . .		24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .	7,870,617.	25	10,488,146.
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .	73,455,752.	26	74,665,728.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets . . . . .	32,714,021.	27	29,026,535.
	28	Temporarily restricted net assets . . . . .	178,573.	28	409,569.
	29	Permanently restricted net assets . . . . .	76,222.	29	NONE
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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	<b>Total net assets or fund balances</b> . . . . .	32,968,816.	33	29,436,104.
	34	<b>Total liabilities and net assets/fund balances.</b> . . . . .	106,424,568.	34	104,101,832.

**Part XI Financial Statements and Reporting**

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .		X
b	Were the organization's financial statements audited by an independent accountant? . . . . .	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .	X	
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? . . . . .		X
b	If "Yes," did the organization undergo the required audit or audits? . . . . .		

SCHEDULE A  
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

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

Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

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: (Please check only one organization.)

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
3 X A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state:
5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
9 An organization that normally receives: (1) more than 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). (see instructions)
11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
a Type I b Type II c Type III - Functionally Integrated d Type III - Other
e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box.
g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
(ii) A family member of a person described in (i) above?
(iii) A 35% controlled entity of a person described in (i) or (ii) above?
h Provide the following information about the organizations the organization supports.

Table with 2 columns: Yes, No. Rows: 11g(I), 11g(II), 11g(III). Values: X, X, X.

Table with 7 columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization in col. (i) listed in your governing document?, (v) Did you notify the organization in col. (i) of your support?, (vi) Is the organization in col. (i) organized in the U.S., (vii) Amount of support. Includes a Total row.

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.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1-3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 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; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc.; 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

Table with 2 columns: Line number, Description. Rows include: 14 Public support percentage for 2008; 15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f; 16a 33 1/3% support test - 2008; b 33 1/3% support test - 2007; 17a 10%-facts-and-circumstances test - 2008; b 10%-facts-and-circumstances test - 2007; 18 Private foundation.

**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.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
6 Total. Add lines 1-5 . . . . .						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 . . . . .						
c 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) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6 . . . . .						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
c Add lines 10a and 10b . . . . .						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
13 Total support. (Add lines 9, 10c, 11, and 12.) . . . . .						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . . ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)) . . . . .	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g . . . . .	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)) . . . . .	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h . . . . .	18	%

- 19a **33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ►
- b **33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ►
- 20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . . . . ►

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

Dashed lines for supplemental information entry.

**SCHEDULE D  
(Form 990)**

**Supplemental Financial Statements**

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

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

Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

**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? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> 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).
- |   |  |
|---|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure) | <input type="checkbox"/> Preservation of an historically importantly land area |
| <input type="checkbox"/> Protection of natural habitat                                      | <input type="checkbox"/> Preservation of certified historic structure          |
| <input type="checkbox"/> Preservation of open space   |  |
- 2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.
- |  | Held at the End of the Year |
|--|-----------------------------|
| a Total number of conservation easements . . . . .   | 2a                          |
| b Total acreage restricted by conservation easements . . . . .                                 | 2b                          |
| c Number of conservation easements on a certified historic structure included in (a) . . . . . | 2c                          |
| d Number of conservation easements included in (c) acquired after 8/17/06 . . . . .            | 2d                          |
- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ \_\_\_\_\_
- 4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? . . . . .  Yes  No
- 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ \_\_\_\_\_
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ \_\_\_\_\_
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? . . . . .  Yes  No
- 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_
- (ii) Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ \_\_\_\_\_
- b Assets included in Form 990, Part X . . . . . ▶ \$ \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2008



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

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

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

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

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

Part IV Trust, Escrow and Custodial Arrangements. Complete if 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:

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance

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

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

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

Table with 6 columns: (a) Current Year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g Balance and activity items

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:

Table with 3 columns: Description, Yes, No. Rows: 3a(i) unrelated organizations, 3a(ii) related organizations, 3b

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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.

Table with 5 columns: Description of investment, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Depreciation, (d) Book value. Rows: 1a-1e Land, Buildings, Leasehold improvements, Equipment, Other. Total row at bottom.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
<b>Total.</b> (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
<b>Total.</b> (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
LT BOND FINANCING COSTS	580,641.
OTHER RECEIVABLES	2,010,457.
GOODWILL	15,000.
INVEST IN AFFILIATED ENTERPRIS	2,284,840.
DUE FROM AFFILIATES	1,200,307.
<b>Total.</b> (Column (b) should equal Form 990, Part X, col. (B) line 15.)	6,091,245.

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

(a) Description of liability	(b) Amount
Federal income taxes	
EXECUTIVE 457B 457F PLANS	3,515,158.
ADVANCES FROM THIRD PARTIES	2,872,675.
ACCRUED PENSION COSTS	4,100,313.
<b>Total.</b> (Column (b) should equal Form 990, Part X, col. (B) line 25.)	10,488,146.

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
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	Losses reported on Form 990, Part IX, line 25	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.

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**Part XIV Supplemental Information** (continued)

Lined area for supplemental information with horizontal dashed lines.

**SCHEDULE H**  
(Form 990)

**Hospitals**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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

Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

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

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

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

**7 Charity Care and Certain Other Community Benefits at Cost**

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

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule H (Form 990) 2008

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

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

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

**Section A. Bad Debt Expense**

	Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .		
2 Enter the amount of the organization's bad debt expense (at cost) . . . . .		
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy . . . . .		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit.		
<b>Section B. Medicare</b>		
5 Enter total revenue received from Medicare (including DSH and IME) . . . . .		
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .		
7 Enter line 5 less line 6 - surplus or (shortfall) . . . . .		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6, and indicate which of the following methods was used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		
<b>Section C. Collection Practices</b>		
9a Does the organization have a written debt collection policy? . . . . .		
b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI. . . . .		

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

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

**Part V Facility Information (Required for 2008)**

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER - 24 hours	ER - other	Other (Describe)
CALVERT MEMORIAL HOSPITAL OF CALVERT CO 100 HOSPITAL ROAD PRINCE FREDERICK MD 20678	X								
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**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

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

Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

**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. . . . .  Yes  No

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . .

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CALVERT MEMORIAL HOSPITAL FOUNDATION INC 100 HOSPITAL RD PRINCE FREDERICK, MD 20678	52-1680647		699,505				
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- 2 Enter total number of section 501(c)(3) and government organizations . . . . .
- 3 Enter total number of other organizations . . . . .
- For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

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

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

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

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**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Name of the organization

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

Employer identification number

52-0619000

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use          |
| <input checked="" type="checkbox"/> Travel for companions          | <input type="checkbox"/> Payments for business use of personal residence          |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)          |

**b** If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain . . . . .

**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? . . . . .

**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.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input checked="" type="checkbox"/> Written employment contract                     |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations                | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- a** Receive a severance payment or change of control payment? . . . . .
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . . .
- c** Participate in, or receive payment from, an equity-based compensation arrangement? . . . . .
- 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 must complete lines 5-8.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- 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? . . . . .
- b** Any related organization? . . . . .
- 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 . . . . .

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III . . . . .

	Yes	No
<b>1b</b>	X	
<b>2</b>	X	
<b>4a</b>		X
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 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) 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				
JAMES XINIS	(i) 328,232 (ii) NONE (iii) 37,534	51,568 NONE	NONE	269,065 NONE	22,500 NONE	708,899 NONE	37,534 NONE
D KIRK BLANDFORD	(i) 197,549 (ii) NONE (iii) 45,710	8,719 NONE	NONE	36,893 NONE	6,138 NONE	295,009 NONE	45,710 NONE
ROBERT MCWHIRT	(i) 138,800 (ii) NONE (iii) NONE	12,946 NONE	NONE	34,947 NONE	8,592 NONE	195,285 NONE	NONE
SUSAN DOHONY	(i) 149,732 (ii) NONE (iii) NONE	16,650 NONE	NONE	42,874 NONE	6,483 NONE	215,739 NONE	NONE
EDWARD GROGAN	(i) 134,439 (ii) NONE (iii) 17,465	6,272 NONE	NONE	16,761 NONE	8,765 NONE	183,702 NONE	17,465 NONE
ROBERT SCHLAGER	(i) 157,016 (ii) NONE (iii) 558	5,344 NONE	NONE	5,989 NONE	1,025 NONE	169,932 NONE	NONE
SEYED MOHAMMADI	(i) 204,533 (ii) NONE (iii) 49	NONE NONE	NONE	12,252 NONE	5,101 NONE	221,935 NONE	NONE
MEENA PODDAR	(i) 167,600 (ii) NONE (iii) 13,198	NONE NONE	NONE	10,328 NONE	414 NONE	191,540 NONE	NONE
JULIE OVERLY	(i) 127,769 (ii) NONE (iii) 30,008	NONE NONE	NONE	13,662 NONE	207 NONE	171,646 NONE	NONE
VINCENT JACKSON	(i) 129,350 (ii) NONE (iii) 10,191	14,244 NONE	NONE	11,655 NONE	6,503 NONE	171,943 NONE	NONE
LENORA PAINTER	(i) 115,368 (ii) NONE (iii) 27,105	NONE NONE	NONE	9,412 NONE	7,999 NONE	159,884 NONE	NONE
BARBARA POLAK	(i) 134,694 (ii) NONE (iii) 5,000	5,000 NONE	NONE	12,659 NONE	8,777 NONE	161,130 NONE	NONE
M CARRIE FORREST	(i) 120,510 (ii) NONE (iii) 11,083	11,083 NONE	NONE	39,514 NONE	5,680 NONE	176,787 NONE	NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE
	(i) NONE (ii) NONE (iii) NONE	NONE NONE NONE	NONE	NONE NONE NONE	NONE NONE NONE	NONE NONE NONE	NONE

Schedule J (Form 990) 2008

**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.

NONQUALIFIED RETIREMENT PAYMENT

PART I, LINE 4

THE FOLLOWING EMPLOYEES PARTICIPATED IN THE ORGANIZATION'S 457(B) AND/OR 457(F) DEFERRED COMPENSATION PLANS AND WERE PAID AND/OR CREDITED WITH THE

FOLLOWING AMOUNTS:

D. KIRK BLANDFORD \$ 64,862

SUSAN DOHONY \$ 7,410

ROBERT MCWIRT \$ 21,355

M. CARRIE FORREST \$ 7,106

EDWARD GROGAN \$ 23,087

JAMES XINIS \$277,563

**SCHEDULE J-2  
(Form 990)**

**Continuation Sheet for Form 990**

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

Name of the Organization

Employer Identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

**Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(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			
CLIFF STEWART DIRECTOR	2.	X					NONE	NONE	NONE	
DEAN SCHLEICHER CHAIRPERSON	2.	X		X			NONE	NONE	NONE	
KEVIN BETZ VICE CHAIRPERSON	5.	X		X			NONE	NONE	NONE	
CHARLENE COLE NEWKIRK SECRETARY	4.	X		X			NONE	NONE	NONE	
GAIL GIBSON SECRETARY	2.	X		X			NONE	NONE	NONE	
EMAD AL BANNA DIRECTOR	3.	X					69,221.	NONE	NONE	
CHARLES JUDGE DIRECTOR	2.	X					2,995.	NONE	NONE	
MARY KRUG DIRECTOR	3.	X					NONE	NONE	NONE	
VARKEY MATHEW DIRECTOR	2.	X					NONE	NONE	NONE	
KEVIN NIETMANN DIRECTOR	4.	X					NONE	NONE	NONE	
DONALD PARSONS JR TREASURER	2.	X		X			NONE	NONE	NONE	
MARSHA PLATER DIRECTOR	6.	X					NONE	NONE	NONE	
SALLY SHOWALTER VICE CHAIRMAN	2.	X		X			NONE	NONE	NONE	
LAURIE UHEREK TREASURER	5.	X		X			NONE	NONE	NONE	
JAMES XINIS PRESIDENT AND CEO	40.	X		X			417,334.	NONE	291,565.	
PETER DALY DIRECTOR	3.	X					NONE	NONE	NONE	
PAMELA LUCAS DIRECTOR	2.	X					NONE	NONE	NONE	
JOHN WEIGEL DIRECTOR	2.	X					NONE	NONE	NONE	
MARIE KIMBALL THOMAS DIRECTOR	2.	X					NONE	NONE	NONE	
ANWAR MUNSHI DIRECTOR	2.	X					NONE	NONE	NONE	
HENRY TRENTMAN DIRECTOR	5.	X					NONE	NONE	NONE	

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J-2 (Form 990) 2008

SCHEDULE J-2  
(Form 990)

Continuation Sheet for Form 990

OMB No. 1545-0047

2008

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

Open to Public  
Inspection

Name of the Organization

Employer Identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

**Part I** Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(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			
D KIRK BLANDFORD VP FINANCE	40.			X				251,978.	NONE	43,031.
BARBARA POLAK VP OF CLINICAL SERVICES	40.			X				139,694.	NONE	21,436.
M CARRIE FORREST VP OF HUMAN RESOURCES	40.			X				131,593.	NONE	45,194.
LYNN SMITH VP OF HUMAN RESOURCES	40.			X				123,500.		7,606.
ROBERT MCWHIRT VP PATIENT CARE SERVICES	40.				X			151,746.	NONE	43,539.
SUSAN DOHONY VP COO PERFORM IMPROVEMENT	40.				X			166,382.	NONE	49,357.
EDWARD GROGAN VP IT	40.				X			158,176.	NONE	25,526.
ROBERT SCHLAGER VP MEDICAL AFFAIRS	40.				X			162,918.	NONE	7,014.
SEYED MOHAMMADI PHYSICIAN	40.					X		204,582.	NONE	17,353.
MEENA PODDAR PHYSICIAN	40.					X		180,798.	NONE	10,742.
JULIE OVERLY RN	40.					X		157,777.	NONE	13,869.
VINCENT JACKSON DIRECTOR PHARMACY	40.					X		153,785.	NONE	18,158.
LENORA PAINTER RN	40.					X		142,473.	NONE	17,411.

SCHEDULE K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

OMB No. 1545-0047

2008

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

Open to Public  
Inspection

Name of the organization: CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY  
Employer identification number: 52-0619000

Part I Bond Issues (Required for 2008)

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
A. MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	SEE RANGE	07/01/2004	32,925,000	ACQUIRE, RENOVATE AND CONSTRUCT CE		X		X
B									
C									
D									
E									

Part II Proceeds (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										
9 Were the bonds issued as part of a current refunding issue?		X								
10 Were the bonds issued as part of an advance refunding issue?		X								
11 Has the final allocation of proceeds been made?	X									
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X									

Part III Private Business Use (Optional for 2008)

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

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2008



**Part III Private Business Use (Continued)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?		X								
b Are there any research agreements with respect to the financed property which may result in private business use?		X								
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government.		%		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government.		%		%		%		%		%
6 Total of lines 4 and 5.		%		%		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

**Part IV Arbitrage (Optional for 2008)**

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

**SCHEDULE L**  
(Form 990 or 990-EZ)

**Transactions With Interested Persons**

OMB No. 1545-0047

**2008**

**Open To Public Inspection**

Department of the Treasury  
Internal Revenue Service

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

Name of the organization: CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY  
Employer identification number: 52-0619000

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).  
To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a or 25b, or Form 990-EZ, Part V, line 40b.

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

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

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

**Part II Loans to and/or From Interested Persons.**  
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

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

Total . . . . . ▶ \$ \_\_\_\_\_

**Part III Grants or Assistance Benefitting Interested Persons.**  
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

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

**Part IV Business Transactions Involving Interested Persons.**  
To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 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
JAMES XINIS	DIRECTOR AND OFFICER	21,000,000.	CAREFIRST TRANSACTIONS (ON BD)		X

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

**Supplemental Information to Form 990**

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

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

Employer identification number

52-0619000

DESCRIPTION OF 990 REVIEW PROCESS

PART VI, LINE 10

THE 990 IS REVIEWED BY THE AUDIT COMMITTEE OF THE CALVERT HEALTH SYSTEM,  
INC. BOARD OF DIRECTORS AFTER COMPLETION AND PRIOR TO SUBMISSION TO THE  
IRS. THE DOCUMENT IS DELIVERED TO THE COMMITTEE MEMBERS PRIOR TO THE  
COMMITTEE MEETING SO THAT THEY CAN REVIEW THE INFORMATION AND RESPOND TO  
OR QUESTION ANY OR ALL OF THE DATA. THE CHIEF EXECUTIVE OFFICER AND  
CHIEF FINANCIAL OFFICER ARE PRESENT AT THE AUDIT COMMITTEE MEETING.

Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

CONFLICTS MONITORING AND ENFORCEMENT

PART VI, LINE 12C

CALVERT HEALTH SYSTEM, INC. HAS A CONFLICT MANAGEMENT POLICY WHICH

DESCRIBES HOW THE ORGANIZATION WILL MANAGE OR RESOLVE CONFLICT AT ALL

LEADERSHIP LEVELS IN THE ORGANIZATION INCLUDING MANAGEMENT STAFF, MEDICAL

STAFF LEADERSHIP AND BOARD MEMBERS. THIS POLICY REQUIRES ALL

ORGANIZATIONAL LEADERSHIP TO DISCLOSE ANY CONFLICT OF INTEREST THAT

EXISTS AT THE TIME OF BUSINESS DECISIONS, MEDICAL STAFF CREDENTIALING,

AND STRATEGIC PLANNING. ANNUAL DISCLOSURES ARE REQUIRED AND DOCUMENTED.

IN ADDITION WHEN ANY CONFLICT ARISES THERE IS AN INTERNAL MEDIATION

PROCESS AVAILABLE TO RESOLVE A POTENTIAL CONFLICT AS WELL AS EXTERNAL

CONFLICT MANAGEMENT RESOURCES TO ASSIST THE ORGANIZATION. INTERNAL

METHODS INCLUDE UTILIZING TRAINED MEDIATORS TO FACILITATE CONFLICT

RESOLUTION AND EXTERNAL RESOURCES ARE AVAILABLE TO BRING INTO THE

ORGANIZATION IF REQUIRED. THESE RESOURCES INCLUDE TRAINED CRISIS

COMMUNICATION/MANAGEMENT COUNSELORS, EMPLOYEE ASSISTANCE COUNSELORS AND

COMMUNITY BASED PROFESSIONALS TRAINED IN CONFLICT RESOLUTION AND LEGAL

REPRESENTATION IF APPROPRIATE.

Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

PROCESS FOR DETERMINING COMPENSATION

PART VI, LINE 15

THE ORGANIZATION UTILIZES A COMPENSATION COMMITTEE, AN INDEPENDENT

COMPENSATION CONSULTANT, A WRITTEN EMPLOYMENT CONTRACT, A COMPENSATION

SURVEY OR STUDY, AND APPROVAL BY BOARD/COMPENSATION COMMITTEE TO DETERMINE

COMPENSATION.

Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

DOCUMENT AVAILABILITY

PART VI, LINE 19

THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST

POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

TAX EXEMPT BONDS

SCHEDULE K, PART I

AMOUNTS

CUSIP NUMBER

\$ 95,000 574217SD8

\$ 95,000 574217SE6

\$ 100,000 574217SF3

\$ 100,000 574217SG1

\$ 105,000 574217SH9

\$ 105,000 574217SJ5

\$ 115,000 574217SK2

\$ 115,000 574127SL0

\$ 120,000 574127SQ9

\$ 130,000 574217SR7

\$ 135,000 574217SS5

\$ 980,000 574127SM8

\$20,765,000 574127SN6

\$ 9,965,000 574127SP1

DESCRIPTION OF PURPOSE:

BONDS ISSUED TO FINANCE COSTS OF ACQUISITION, CONSTRUCTION, RENOVATION

AND EQUIPPING OF CERTAIN HOSPITAL FACILITIES.

Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

BLANK LINES

THE ORGANIZATION DID NOT COMPLETE PART V, LINES 8 & 9 BECAUSE IT DID NOT

SPONSOR ANY DONOR ADVISED FUNDS.



Name of the organization

Employer identification number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

AUDITED FINANCIAL STATEMENTS

PART XI LINE 2B

THE ORGANIZATIONS FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT

ACCOUNTING FIRM AS PART OF THE CONSOLIDATED AUDIT OF THE HEALTH SYSTEM.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2008**

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

Open to Public  
Inspection

Name of the organization

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

Employer identification number  
52-0619000

**Part I Identification of Disregarded Entities**

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
CALVERT PHYSICIANS ASSOCIATES 26-3828176 PRINCE FREDERICK, MD 20678 100 HOSPITAL RD	HEALTHCARE	MD	NONE	1,255,475	CMH
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**Part II Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
CALVERT HEALTH SYSTEM INC 52-2347324 100 HOSPITAL RD PRINCE FREDERICK, MD 20678	HEALTHCARE	MD	501(C)(3)	170B1AIII	N/A
CMH HOLDING CO 52-2176827 100 HOSPITAL RD PRINCE FREDERICK, MD 20678	REAL ESTATE	MD	501(C)(2)		CHS
CMH II HOLDING CO 52-2178784 100 HOSPITAL RD PRINCE FREDERICK, MD 20678	REAL ESTATE	MD	501(C)(2)		CHS
CALVERT MEMORIAL HOSPITAL FOUNDATION INC 52-1680647 100 HOSPITAL RD PRINCE FREDERICK, MD 20678	FUND RAISING	MD	501(C)(3)	509(A)(3)	CMH
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For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2008

**Part III Identification of Related Organizations Taxable as a Partnership**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?
							Yes	No		
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**Part IV Identification of Related Organizations Taxable as a Corporation or Trust**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
CALVERT HEALTH VENTURES INC 100 HOSPITAL RD PRINCE FREDERICK, MD 20678 52-1625432	HEALTHCARE	MD	CMH	C CORP	4,438,344.	5,973,983.	100.0000
CALVERT COMMUNITY HEALTH INC 100 HOSPITAL RD PRINCE FREDERICK, MD 20678 52-1996371	HEALTHCARE	MD	CMH	C CORP	NONE	NONE	100.0000
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**Part V Transactions With Related Organizations**

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

1 During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity . . . . .		X
b Gift, grant, or capital contribution to other organization(s) . . . . .	X	
c Gift, grant, or capital contribution from other organization(s) . . . . .	X	
d Loans or loan guarantees to or for other organization(s) . . . . .		X
e Loans or loan guarantees by other organization(s) . . . . .		X
f Sale of assets to other organization(s) . . . . .		X
g Purchase of assets from other organization(s) . . . . .		X
h Exchange of assets . . . . .		X
i Lease of facilities, equipment, or other assets to other organization(s) . . . . .		X
j Lease of facilities, equipment, or other assets from other organization(s) . . . . .	X	
k Performance of services or membership or fundraising solicitations for other organization(s) . . . . .		X
l Performance of services or membership or fundraising solicitations by other organization(s) . . . . .	X	
m Sharing of facilities, equipment, mailing lists, or other assets . . . . .	X	
n Sharing of paid employees . . . . .	X	
o Reimbursement paid to other organization for expenses . . . . .	X	
p Reimbursement paid by other organization for expenses . . . . .	X	
q Other transfer of cash or property to other organization(s) . . . . .		X
r Other transfer of cash or property from other organization(s) . . . . .		X

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

(A) Name of other organization(s)	(B) Transaction type (e-r)	(C) Amount involved
(1) CALVERT PHYSICIANS ASSOCIATES	B	1,115,500.
(2) CALVERT HEALTH VENTURES	B	1,119,134.
(3) CMH HOLDING CO	J	161,834.
(4) CALVERT HEALTH SYSTEM INC	B	3,222,949.
(5) CALVERT MEMORIAL HOSPITAL FOUNDATION INC	C AND L	305,257.
(6) CALVERT HEALTH VENTURES	J	142,657.

**Part VI** **Unrelated Organizations Taxable as a Partnership**

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

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

=====  
CALVERT MEMORIAL HOSPITAL PROVIDES QUALITY INPATIENT AND AMBULATORY  
HEALTH CARE TO THE PEOPLE OF SOUTHERN MARYLAND THAT IS ACCESSIBLE,  
COST-EFFECTIVE AND COMPASSIONATE. CMH WORKS IN PARTNERSHIP WITH THE  
COMMUNITY TO IMPROVE THE HEALTH STATUS OF ITS MEMBERS.

## FORM 990, PART III - PROGRAM SERVICES

## 4A PROGRAM SERVICE

CALVERT MEMORIAL HOSPITAL'S MISSION IS FOR THE CHARITABLE PURPOSE OF PROVIDING QUALITY INPATIENT AND AMBULATORY HEALTH CARE SERVICES TO THE CITIZENS OF SOUTHERN MARYLAND THAT IS ACCESSIBLE, COST EFFECTIVE AND COMPASSIONATE. THE HOSPITAL WORKS IN PARTNERSHIP WITH THE COMMUNITY TO IMPROVE THE HEALTH STATUS OF ITS MEMBERS. THE HOSPITAL PROVIDES MEDICAL SERVICES TO PATIENTS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY. IN FY 2009, THE HOSPITAL SERVED 9,589 INPATIENTS, 137,874 OUTPATIENTS AND PROVIDED 39,554 EMERGENCY ROOM VISITS. FOR FY 2009, THE HOSPITAL FILED WITH THE STATE OF MARYLAND A COMMUNITY BENEFIT REPORT THAT DOCUMENTED \$9,450,809 IN COMMUNITY BENEFIT PROVIDED BY CALVERT MEMORIAL HOSPITAL. THE COMMUNITY BENEFIT REPORT IS AVAILABLE UPON REQUEST. ALL FINANCIAL SURPLUSES THE HOSPITAL GENERATES ARE USED EXCLUSIVELY TO FURTHER THE CHARITABLE PURPOSES OF THE ORGANIZATION. THE HOSPITAL IS GOVERNED BY A COMMUNITY BOARD COMPRISED OF CIVIC LEADERS THROUGHOUT CALVERT COUNTY WHO ARE COMMITTED TO AND REPRESENT THE HEALTHCARE NEEDS OF THE COMMUNITY. THE HOSPITAL IN FY 2009 PROVIDED OVER \$1,500,600 IN CHARITY CARE TO RESIDENTS WHO WERE UNABLE TO PAY FOR THOSE SERVICES AND MET ELIGIBILITY CRITERIA. THE HOSPITAL, AS A SOLE COMMUNITY PROVIDER, PROVIDES ESSENTIAL HEALTHCARE SERVICES SUCH AS OBSTETRICS, PSYCHIATRY (BOTH INPATIENT AND OUTPATIENT), EMERGENCY SERVICES, URGENT CARE AND LONG-TERM CARE THAT OTHERWISE WOULD NOT BE PROVIDED WITHIN CALVERT COUNTY OR WOULD HAVE TO BE PROVIDED BY THE GOVERNMENT. MANY OF THESE SERVICES BY THEIR NATURE ARE UNPROFITABLE SERVICES DUE TO THEIR HIGH COST AND LOW REIMBURSEMENT. THESE SERVICES WOULD NOT BE PROVIDED IF THE HOSPITAL DID NOT STEP IN TO PROVIDE THEM. THE HOSPITAL ALSO OPERATES THE TWIN BEACHES COMMUNITY HEALTH CENTER WHICH PROVIDES PRIMARY CARE TO LOW INCOME PATIENTS REGARDLESS OF THEIR ABILITY TO PAY. IN FY 2009, TWIN BEACHES PROVIDED 4,391 PRIMARY CARE VISITS TO PATIENTS WITH 22% OF THESE VISITS FOR UNINSURED PATIENTS AND 16% OF THESE VISITS FOR MEDICAL ASSISTANCE PATIENTS. IN ADDITION, IN FY 2009, THE HOSPITAL PROVIDED \$65,482 OF FREE HEALTH SERVICES FOR CALVERT HEALTHCARE SOLUTIONS PATIENTS. CALVERT HEALTHCARE SOLUTIONS IS A PARTNERSHIP BETWEEN THE LOCAL HEALTH DEPARTMENT, LOCAL PHYSICIANS AND THE HOSPITAL THAT PROVIDES PRIMARY CARE SERVICES TO PATIENTS WHO ARE UNINSURED.

FORM 990, PART III - PROGRAM SERVICES  
=====



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

NAME AND ADDRESS -----	DESCRIPTION OF SERVICES	COMPENSATION -----
JOSEPH FASTOW MD 7900 WISCONSIN AVE SUITE 406 BETHESDA, MD 20814	URGENT CARE PHYSCIAN	445,155.
AMERICAN RADIOLOGY ASSOC PA PO BOX 17513 BALTIMORE, MD 21297	MEDICAL SERVICES	296,072.
PHYSICIAN MANAGEMENT LTD 7900 WISCONSIN AVE SUITE 406 BETHESDA, MD 20814	PEDIATRIC HOSPITALIS	326,397.
SPHERIS OPERATIONS INC 720 COOL SPRINGS BLVD SUITE 200 FRANKLIN, TN 37067	MEDICAL REC TRANSCRIP	397,353.
COMMERICAL LAUNDRY CORP 601 S LONGWOOD ST BALTIMORE, MD 21223	LAUNDRY SERVICES	308,797.
TOTAL COMPENSATION		----- 1,773,774. =====

FORM 990, PART VIII - INVESTMENT INCOME  
 =====

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
K-1 CHESAPEAKE HOME HEALTH ALLIANCE INVESTMENT INCOME	346,111. 297,797.			346,111. 297,797.
INVESTMENT INCOME SPECIAL FUNDS	875.			875.
TOTALS	644,783.			644,783.

# RENT AND ROYALTY INCOME

<b>Taxpayer's Name</b> CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY	<b>Identifying Number</b> 52-0619000
---	---

**DESCRIPTION OF PROPERTY**  
CHILD CARE CENTER

Yes  No Did you actively participate in the operation of the activity during the tax year?

REAL RENTAL INCOME	26,400.	
OTHER INCOME		
<b>TOTAL GROSS INCOME</b>		<b>26,400.</b>
<b>OTHER EXPENSES:</b>		
REPAIRS	837.	
SUPPLIES	919.	
UTILITIES	8,124.	
OTHER EXPENSES	3,842.	
<b>DEPRECIATION (SHOWN BELOW)</b>		
LESS: Beneficiary's Portion		
<b>AMORTIZATION</b>		
LESS: Beneficiary's Portion		
<b>DEPLETION</b>		
LESS: Beneficiary's Portion		
<b>TOTAL EXPENSES</b>		<b>13,722.</b>
<b>TOTAL RENT OR ROYALTY INCOME (LOSS)</b>		<b>12,678.</b>
<b>Less Amount to</b>		
Rent or Royalty		
Depreciation		
Depletion		
Investment Interest Expense		
Other Expenses		
Net Income (Loss) to Others		
<b>Net Rent or Royalty Income (Loss)</b>		<b>12,678.</b>
<b>Deductible Rental Loss (if Applicable)</b>		

**SCHEDULE FOR DEPRECIATION CLAIMED**

(a) Description of property	(b) Cost or unadjusted basis	(c) Date acquired	(d) ACRS des.	(e) Bus. %	(f) Basis for depreciation	(g) Depreciation in prior years	(h) Method	(i) Life or rate	(j) Depreciation for this year
JSA Totals									

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE  
=====

OTHER DEDUCTIONS

LEASES & RENTALS	2,563.
PURCHASED SERVICES & MINOR EQUIPMENT	1,279.
	-----
	3,842.
	=====

# RENT AND ROYALTY INCOME

<b>Taxpayer's Name</b> CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY	<b>Identifying Number</b> 52-0619000
---	---

**DESCRIPTION OF PROPERTY**  
WESTLAKE BLVD CONDO

Yes  No Did you actively participate in the operation of the activity during the tax year?

REAL RENTAL INCOME	4,500.	
OTHER INCOME		
<b>TOTAL GROSS INCOME</b>		4,500.

<b>OTHER EXPENSES:</b>		
TAXES	2,551.	
UTILITIES	501.	
OTHER EXPENSES	2,100.	

DEPRECIATION (SHOWN BELOW)	6,153.	
LESS: Beneficiary's Portion		
AMORTIZATION		
LESS: Beneficiary's Portion		
DEPLETION		
LESS: Beneficiary's Portion		
<b>TOTAL EXPENSES</b>		11,305.
<b>TOTAL RENT OR ROYALTY INCOME (LOSS)</b>		-6,805.

**Less Amount to**

Rent or Royalty	_____
Depreciation	_____
Depletion	_____
Investment Interest Expense	_____
Other Expenses	_____
<b>Net Income (Loss) to Others</b>	_____

**Net Rent or Royalty Income (Loss)** -6,805.

**Deductible Rental Loss (if Applicable)** \_\_\_\_\_

**SCHEDULE FOR DEPRECIATION CLAIMED**

(a) Description of property	(b) Cost or unadjusted basis	(c) Date acquired	(d) ACRS des.	(e) Bus. %	(f) Basis for depreciation	(g) Depreciation in prior years	(h) Method	(i) Life or rate	(j) Depreciation for this year
SEE STATEMENT									
<b>JSA Totals</b>									6,153.

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE  
=====

OTHER DEDUCTIONS

MAINTENANCE CONTRACTS

2,100.  
-----  
2,100.  
=====

**RENT AND ROYALTY INCOME**

<b>Taxpayer's Name</b> CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY	<b>Identifying Number</b> 52-0619000
---	---

**DESCRIPTION OF PROPERTY**

MISC RENTAL PROPERTY

	<input type="checkbox"/>	<input type="checkbox"/>	Did you actively participate in the operation of the activity during the tax year?
--	--------------------------	--------------------------	--

REAL RENTAL INCOME	37,996.			
OTHER INCOME				
<hr/>				
TOTAL GROSS INCOME				37,996.

OTHER EXPENSES:				

DEPRECIATION (SHOWN BELOW)					
LESS: Beneficiary's Portion					
AMORTIZATION					
LESS: Beneficiary's Portion					
DEPLETION					
LESS: Beneficiary's Portion					
TOTAL EXPENSES					
TOTAL RENT OR ROYALTY INCOME (LOSS)					37,996.

<b>Less Amount to</b>				
Rent or Royalty				
Depreciation				
Depletion				
Investment Interest Expense				
Other Expenses				
Net Income (Loss) to Others				
Net Rent or Royalty Income (Loss)				37,996.
Deductible Rental Loss (if Applicable)				

**SCHEDULE FOR DEPRECIATION CLAIMED**

(a) Description of property	(b) Cost or unadjusted basis	(c) Date acquired	(d) ACRS des.	(e) Bus. %	(f) Basis for depreciation	(g) Depreciation in prior years	(h) Method	(i) Life or rate	(j) Depreciation for this year
JSA Totals									

# RENT AND ROYALTY INCOME

Taxpayer's Name CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY	Identifying Number 52-0619000
--	----------------------------------

DESCRIPTION OF PROPERTY  
WINSLOW PLACE

Yes  No Did you actively participate in the operation of the activity during the tax year?

REAL RENTAL INCOME	6,760.	
OTHER INCOME		
<b>TOTAL GROSS INCOME</b>		<b>6,760.</b>
<b>OTHER EXPENSES:</b>		
UTILITIES	122.	
OTHER EXPENSES	19,296.	
<b>DEPRECIATION (SHOWN BELOW)</b>		
LESS: Beneficiary's Portion		
<b>AMORTIZATION</b>		
LESS: Beneficiary's Portion		
<b>DEPLETION</b>		
LESS: Beneficiary's Portion		
<b>TOTAL EXPENSES</b>		<b>19,418.</b>
<b>TOTAL RENT OR ROYALTY INCOME (LOSS)</b>		<b>-12,658.</b>

Less Amount to

Rent or Royalty	_____
Depreciation	_____
Depletion	_____
Investment Interest Expense	_____
Other Expenses	_____
Net Income (Loss) to Others	_____
<b>Net Rent or Royalty Income (Loss)</b>	<b>-12,658.</b>
Deductible Rental Loss (if Applicable)	_____

## SCHEDULE FOR DEPRECIATION CLAIMED

(a) Description of property	(b) Cost or unadjusted basis	(c) Date acquired	(d) ACRS des.	(e) Bus. %	(f) Basis for depreciation	(g) Depreciation in prior years	(h) Method	(i) Life or rate	(j) Depreciation for this year
JSA Totals									



SUPPLEMENT TO RENT AND ROYALTY SCHEDULE  
=====

OTHER DEDUCTIONS

LEASES AND RENTALS

19,296.

-----  
19,296.  
=====

RENT AND ROYALTY SUMMARY

=====

PROPERTY	TOTAL INCOME	DEPLETION/ DEPRECIATION	OTHER EXPENSES	ALLOWABLE NET INCOME
-----	-----	-----	-----	-----
CHILD CARE CENTER	26,400.		13,722.	12,678.
WESTLAKE BLVD CONDO	4,500.	6,153.	5,152.	-6,805.
MISC RENTAL PROPERTY	37,996.			37,996.
WINSLOW PLACE	6,760.		19,418.	-12,658.
	-----	-----	-----	-----
TOTALS	75,656.	6,153.	38,292.	31,211.
	=====	=====	=====	=====

FORM 990, PART X - NOTES AND LOANS RECEIVABLE  
 =====

BORROWER: GAIL ANDERSON  
 ORIGINAL AMOUNT: 54,000.  
 INTEREST RATE: 6.750000  
 DATE OF NOTE: 11/01/2005  
 MATURITY DATE: 04/01/2008  
 PURPOSE OF LOAN: PHYSICIAN LOAN

BEGINNING BALANCE DUE ..... 11,700.  
 ENDING BALANCE DUE ..... 11,700.  
 -----

BORROWER: CALVERT FAMILY PRACTICE  
 ORIGINAL AMOUNT: 50,000.  
 INTEREST RATE: 4.430000  
 DATE OF NOTE: 06/01/2006  
 MATURITY DATE: 05/01/2008  
 PURPOSE OF LOAN: PHYSICIAN LOAN

BEGINNING BALANCE DUE ..... 44,617.  
 ENDING BALANCE DUE ..... 14,244.  
 -----

BORROWER: MARA DAIDONE  
 ORIGINAL AMOUNT: 75,000.  
 INTEREST RATE: 5.000000  
 DATE OF NOTE: 07/01/2006  
 MATURITY DATE: 07/01/2009

BEGINNING BALANCE DUE ..... 60,737.  
 ENDING BALANCE DUE ..... NONE  
 -----

BORROWER: CALVERT NEUROLOGY ASSOCIATES  
 ORIGINAL AMOUNT: 17,000.  
 INTEREST RATE: 2.500000  
 DATE OF NOTE: 04/01/2009  
 MATURITY DATE: 04/01/2012

BEGINNING BALANCE DUE ..... NONE  
 ENDING BALANCE DUE ..... 17,000.  
 -----

TOTAL BEGINNING NOTES AND LOANS RECEIVABLE ..... 117,054.  
 =====  
 TOTAL ENDING NOTES AND LOANS RECEIVABLES ..... 42,944.  
 =====

FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION -----	ENDING BOOK VALUE -----
PREPAID EXPENSES	697,784.
PREPAID RENT	56,488.
TOTALS	----- 754,272. =====

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

=====

DESCRIPTION -----	ENDING BOOK VALUE -----	COST OR FMV -----
EQUITY MUTUAL FUNDS	1,450,189.	FMV
FIXED INCOME MUTUAL FUNDS	476,263.	FMV
RESTRICTED CASH	3,690,612.	FMV
US GOVERNMENT ISSUES	2,826,011.	FMV
	-----	
TOTALS	8,443,075.	
	=====	

**Sales of Business Property**  
**(Also Involuntary Conversions and Recapture Amounts**  
**Under Sections 179 and 280F(b)(2))**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to your tax return. ▶ See separate instructions.

Attachment  
Sequence No. 27

Name(s) shown on return

Identifying number

CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

52-0619000

1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . . . .

1

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions)**

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 45 . . . . .

3

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .

4

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .

5

6 Gain, if any, from line 32, from other than casualty or theft . . . . .

6

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . . . . .

7

**Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . .

8

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) . . . . .

9

**Part II Ordinary Gains and Losses (see instructions)**

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

SEE STATEMENT 1							1,100.

11 Loss, if any, from line 7 . . . . .

11

12 Gain, if any, from line 7 or amount from line 8, if applicable . . . . .

12

13 Gain, if any, from line 31 . . . . .

13

14 Net gain or (loss) from Form 4684, lines 37 and 44a . . . . .

14

15 Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .

15

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .

16

17 Combine lines 10 through 16 . . . . .

17

1,100.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 41, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . . . .

18a

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 . . . . .

18b

For Paperwork Reduction Act Notice, see separate instructions.

Form 4797 (2008)

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶	Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20			
21 Cost or other basis plus expense of sale . . . . .	21			
22 Depreciation (or depletion) allowed or allowable . . . . .	22			
23 Adjusted basis. Subtract line 22 from line 21 . . . . .	23			
24 Total gain. Subtract line 23 from line 20 . . . . .	24			
<b>25 If section 1245 property:</b>				
a Depreciation allowed or allowable from line 22 . . . . .	25a			
b Enter the smaller of line 24 or 25a . . . . .	25b			
<b>26 If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a Additional depreciation after 1975 (see instructions) . . . . .	26a			
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) . . . . .	26b			
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e . . . . .	26c			
d Additional depreciation after 1969 and before 1976 . . . . .	26d			
e Enter the smaller of line 26c or 26d . . . . .	26e			
f Section 291 amount (corporations only) . . . . .	26f			
g Add lines 26b, 26e, and 26f . . . . .	26g			
<b>27 If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a Soil, water, and land clearing expenses . . . . .	27a			
b Line 27a multiplied by applicable percentage (see instructions) . . . . .	27b			
c Enter the smaller of line 24 or 27b . . . . .	27c			
<b>28 If section 1254 property:</b>				
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) . . . . .	28a			
b Enter the smaller of line 24 or 28a . . . . .	28b			
<b>29 If section 1255 property:</b>				
a Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .	29a			
b Enter the smaller of line 24 or 29a (see instructions) . . . . .	29b			

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24 . . . . .	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 39. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . .	32	

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years . . . . .	33	
34 Recomputed depreciation (see instructions) . . . . .	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	





**Exempt Organization Business Income Tax Return** (and proxy tax under section 6033(e))

**2008**

Open to Public Inspection  
 for 501(c)(3) Organizations Only

For calendar year 2008 or other tax year beginning 07/01, 2008, and  
 ending 06/30, 2009. See separate instructions.

**A**  Check box if address changed

**B** Exempt under section  
 501(c)(3)  220(e)  
 408(e)  530(a)  
 408A  529(a)

**C** Book value of all assets at end of year  
104,101,832.

**Name of organization** (  Check box if name changed and see instructions.)  
CALVERT MEMORIAL HOSPITAL OF CALVERT COUNTY

**Number, street, and room or suite no.** If a P.O. box, see page 9 of instructions.  
100 HOSPITAL ROAD

**City or town, state, and ZIP code**  
PRINCE FREDERICK, MD 20678

**F** Group exemption number (See instructions for Block F on page 9.)         

**G** Check organization type  501(c) corporation  501(c) trust  401(a) trust  Other trust

**D** Employer identification number  
 (Employees' trust, see instructions for Block D on page 9.)  
52-0619000

**E** Unrelated business activity codes  
 (See instructions for Block E on page 9.)  
561000 621990

**H** Describe the organization's primary unrelated business activity. SEE STATEMENT 1

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
 If "Yes," enter the name and identifying number of the parent corporation.         

**J** The books are in care of ROBERT KERTIS Telephone number 410-535-4000

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales <u>447,478.</u>			
b	Less returns and allowances <u>        </u> c Balance ▶			
1c		<u>447,478.</u>		
2	Cost of goods sold (Schedule A, line 7) . . . . .			
3	Gross profit. Subtract line 2 from line 1c . . . . .	<u>447,478.</u>		<u>447,478.</u>
4a	Capital gain net income (attach Schedule D) . . . . .			
4b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) . . . . .			
4c	Capital loss deduction for trusts . . . . .			
5	Income (loss) from partnerships and S corporations (attach statement) . . . . .			
6	Rent income (Schedule C) . . . . .	<u>11,260.</u>	<u>30,723.</u>	<u>-19,463.</u>
7	Unrelated debt-financed income (Schedule E) . . . . .			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F) . . . . .			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G) . . . . .			
10	Exploited exempt activity income (Schedule I) . . . . .			
11	Advertising income (Schedule J) . . . . .			
12	Other income (See page 11 of the instructions; attach schedule.) . . . . .			
13	Total. Combine lines 3 through 12 . . . . .	<u>458,738.</u>	<u>30,723.</u>	<u>428,015.</u>

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14	Compensation of officers, directors, and trustees (Schedule K) . . . . .		
15	Salaries and wages . . . . .		<u>194,512.</u>
16	Repairs and maintenance . . . . .		<u>772.</u>
17	Bad debts . . . . .		
18	Interest (attach schedule) . . . . .		
19	Taxes and licenses . . . . .		
20	Charitable contributions (See page 13 of the instructions for limitation rules.) . . . . .		
21	Depreciation (attach Form 4562) . . . . .	<u>21</u>	NONE
22a	Less depreciation claimed on Schedule A and elsewhere on return . . . . .		
22b			NONE
23	Depletion . . . . .		
24	Contributions to deferred compensation plans . . . . .		
25	Employee benefit programs . . . . .		<u>145,457.</u>
26	Excess exempt expenses (Schedule I) . . . . .		
27	Excess readership costs (Schedule J) . . . . .		
28	Other deductions (attach schedule) . . . . . <u>SEE STATEMENT 2</u>		<u>103,724.</u>
29	Total deductions. Add lines 14 through 28 . . . . .		<u>444,465.</u>
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13 . . . . .		<u>-16,450.</u>
31	Net operating loss deduction (limited to the amount on line 30) . . . . .		
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30 . . . . .		<u>-16,450.</u>
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.) . . . . .		<u>1,000.</u>
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32 . . . . .		<u>-16,450.</u>

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here [ ] See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) [ ] (2) [ ] (3) [ ] b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) [ ] (2) Additional 3% tax (not more than \$100,000) [ ] c Income tax on the amount on line 34 [ ] 35c 36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) [ ] 36 37 Proxy tax. See page 16 of the instructions [ ] 37 38 Alternative minimum tax [ ] 38 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies [ ] 39

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) [ ] 40a 40b Other credits (see page 17 of the instructions) [ ] 40b 40c General business credit. Attached Form 3800 [ ] 40c 40d Credit for prior year minimum tax (attach Form 8801 or 8827) [ ] 40d 40e Total credits. Add lines 40a through 40d [ ] 40e 41 Subtract line 40e from line 39 [ ] 41 42 Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule) [ ] 42 43 Total tax. Add lines 41 and 42 [ ] 43 44a Payments: A 2007 overpayment credited to 2008 [ ] 44a 44b 2008 estimated tax payments [ ] 44b 44c Tax deposited with Form 8868 [ ] 44c 44d Foreign organizations: Tax paid or withheld at source (see instructions) [ ] 44d 44e Backup withholding (see instructions) [ ] 44e 44f Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other [ ] Total [ ] 44f 45 Total payments. Add lines 44a through 44f [ ] 45 46 Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached [ ] 46 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed [ ] 47 NONE 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid [ ] 48 NONE 49 Enter the amount of line 48 you want: Credited to 2009 estimated tax [ ] Refunded [ ] 49 NONE

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here [ ] Yes [ ] No X 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? [ ] Yes [ ] No X If YES, see page 5 of the instructions for other forms the organization may have to file. 3 Enter the amount of tax-exempt interest received or accrued during the tax year [ ] \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation [ ]

1 Inventory at beginning of year [ ] 1 2 Purchases [ ] 2 3 Cost of labor [ ] 3 4a Additional section 263A costs (attach schedule) [ ] 4a 4b Other costs (attach schedule) [ ] 4b 5 Total. Add lines 1 through 4b [ ] 5 6 Inventory at end of year [ ] 6 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 [ ] 7 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? [ ] Yes [ ] No X

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here [ ] Signature of officer [ ] Date [ ] Title [ ] May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [ ] No X

Paid Preparer's Use Only Preparer's signature [ ] Date 05/11/2010 Check if self-employed [ ] Preparer's SSN or PTIN P00482524 Firm's name (or yours if self-employed), address, and ZIP code COHEN, RUTHERFORD + KNIGHT, PC EIN 52-1202280 6903 ROCKLEDGE DRIVE, SUITE 500 Phone no. 301-828-1002

BETHESDA, MD 20817-1800

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**

(see instructions on page 19)

**1 Description of property**

(1) RENTAL PROPERTY

2 Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)	11,260.	SEE STATEMENT 3
(2)		
(3)		
(4)		
<b>Total</b>	<b>Total 11,260.</b>	<b>(b) Total deductions.</b> Enter here and on page 1, Part I, line 6, column (B) . . . ▶ 30,723.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . ▶

**Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)**

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)			
(1)				%		
(2)				%		
(3)				%		
(4)				%		
<b>Totals</b> . . . . . ▶		Enter here and on page 1, Part I, line 7, column (A).		Enter here and on page 1, Part I, line 7, column (B).		

Total dividends-received deductions included in column 8

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)**

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
<b>Totals</b> . . . . . ▶			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions on page 21)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals . . . . . ▶		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions on page 21)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals . . . . . ▶		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.

**Schedule J - Advertising Income** (see instructions on page 21)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) . . . ▶						

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.
Totals, Part II (lines 1-5) . . . . . ▶						

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions on page 22)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
			%
			%
			%
			%
Total. Enter here and on page 1, Part II, line 14 . . . . . ▶			

ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.  
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MANAGEMENT SERVICES, PHYSICIANS' ANSWERING SERVICE, LAB DRAW AND  
DIALYSIS PROVIDED TO NON-PATIENTS, RENTAL PROPERTY AND PHARMACY

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS  
=====

OFFICE SUPPLIES	6,828.
PHARMACEUTICAL EXPENSE	8,826.
TELEPHONE	5,820.
FOOD	54,324.
DELIVERY	1,624.
PURCHASED SERVICES	1,421.
DUES AND SUBSCRIPTIONS	403.
TRAVEL AND MEETINGS	425.
LEASES AND RENTALS	5,907.
TRAINING/EDUCATION	57.
ADVERTISING	3,452.
LEGAL AND AUDITING FEES	6,890.
UTILITIES	600.
RECRUITMENT	2,995.
MANAGEMENT FEE	4,152.
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PART II - LINE 28 - OTHER DEDUCTIONS	103,724.
	=====

SCHEDULE C - RENT INCOME DEDUCTIONS

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RENTAL PROPERTY

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LEASES AND RENTALS	19,296.
UTILITIES	623.
CONDO FEE	2,100.
REAL ESTATE TAXES	2,551.
DEPRECIATION	6,153.
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TOTAL	30,723.
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