

Form 990-T

EXTENDED TO AUGUST 17, 2020
Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

OMB No 1545-0687

For calendar year 2018 or other tax year beginning OCT 1, 2018 and ending SEP 30, 2019

2018

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

Department of the Treasury Internal Revenue Service

Go to www.irs.gov/Form990T for instructions and the latest information

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3)

Form header section containing: A Check box if address changed; B Exempt under section 501(c)(3); Name of organization: FIRSTHEALTH OF THE CAROLINAS, INC.; Address: 155 MEMORIAL DRIVE, PINEHURST, NC 28374; D Employer identification number: 56-1936354; E Unrelated business activity code: 900000

Section C: Book value of all assets at end of year: 1,102,145,516; F Group exemption number; G Check organization type: 501(c) corporation

Section H: Enter the number of the organization's unrelated trades or businesses: 5; Describe the only (or first) unrelated trade or business here: SEE STATEMENT 1

Section I: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? No

Section J: The books are in care of: MICHAEL S. BOLLINGER, COMPLIANCE; Telephone number: (910) 715-5182

Table with 4 columns: Part I Unrelated Trade or Business Income, (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales, Less returns and allowances, Cost of goods sold, etc. Total Income: 21,493.

Table with 2 columns: Part II Deductions Not Taken Elsewhere, (A) Income, (B) Expenses, (C) Net. Rows include Compensation of officers, directors, and trustees, Salaries and wages, Repairs and maintenance, etc. Total Deductions: 8,235.

SCANNED JUL 13 2021

Handwritten number: 081320

Part III Total Unrelated Business Taxable Income

Table with 2 columns: Description and Amount. Rows include: 33 Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions) 238,054; 34 Amounts paid for disallowed fringes; 35 Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions) STMT 3 238,054; 36 Total of unrelated business taxable income before specific deduction Subtract line 35 from the sum of lines 33 and 34; 37 Specific deduction (Generally \$1,000, but see line 37 instructions for exceptions) 1,000; 38 Unrelated business taxable income. Subtract line 37 from line 36. If line 37 is greater than line 36, enter the smaller of zero or line 36 0.

Part IV Tax Computation

Table with 2 columns: Description and Amount. Rows include: 39 Organizations Taxable as Corporations Multiply line 38 by 21% (0.21) 0; 40 Trusts Taxable at Trust Rates See instructions for tax computation Income tax on the amount on line 38 from Tax rate schedule or Schedule D (Form 1041); 41 Proxy tax See instructions; 42 Alternative minimum tax (trusts only); 43 Tax on Noncompliant Facility Income See instructions; 44 Total Add lines 41, 42, and 43 to line 39 or 40, whichever applies 0.

Part V Tax and Payments

Table with 2 columns: Description and Amount. Rows include: 45a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116); 45b Other credits (see instructions); 45c General business credit. Attach Form 3800; 45d Credit for prior year minimum tax (attach Form 8801 or 8827); 45e Total credits. Add lines 45a through 45d; 46 Subtract line 45e from line 44 0; 47 Other taxes Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule); 48 Total tax Add lines 46 and 47 (see instructions) 0; 49 2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2 0; 50a Payments: A 2017 overpayment credited to 2018; 50b 2018 estimated tax payments; 50c Tax deposited with Form 8868; 50d Foreign organizations: Tax paid or withheld at source (see instructions); 50e Backup withholding (see instructions); 50f Credit for small employer health insurance premiums (attach Form 8941); 50g Other credits, adjustments, and payments: Form 2439 Form 4136 Other Total; 51 Total payments. Add lines 50a through 50g; 52 Estimated tax penalty (see instructions) Check if Form 2220 is attached; 53 Tax due If line 51 is less than the total of lines 48, 49, and 52, enter amount owed; 54 Overpayment If line 51 is larger than the total of lines 48, 49, and 52, enter amount overpaid; 55 Enter the amount of line 54 you want: Credited to 2019 estimated tax Refunded.

Part VI Statements Regarding Certain Activities and Other Information (see instructions)

Table with 2 columns: Description and Yes/No. Rows include: 56 At any time during the 2018 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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here; 57 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file; 58 Enter the amount of tax-exempt interest received or accrued during the tax year \$.

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: [Signature] Date: 8/13/20 Title: PRESIDENT & CEO. May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No.

Paid Preparer Use Only: Print/Type preparer's name: AMY BIBBY; Preparer's signature: AMY BIBBY; Date: 08/05/20; Check self-employed: [] if PTIN: P00445891; Firm's name: DIXON HUGHES GOODMAN LLP; Firm's EIN: 56-0747981; Firm's address: 500 RIDGEFIELD COURT ASHEVILLE, NC 28806; Phone no: (828) 254-2254.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ► **N/A**

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

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

(see instructions)

1 Description of property		
(1)		
(2)		
(3)		
(4)		
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)		
(2)		
(3)		
(4)		
Total	0.	Total 0.
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B)
0.		0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

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	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	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))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			0.	0.
Total dividends-received deductions included in column 8			0.	0.

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

		Exempt Controlled Organizations			
1. Name of controlled organization	2. Employer identification number	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)				
Totals			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)
			0.	0.

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

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)
		0.		0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

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
		0.	0.			0.

Schedule J - Advertising Income (see instructions)

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))		0.	0.			0.

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)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total Enter here and on page 1, Part II, line 14			0.

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY STATEMENT 1

MEDICAL EQUIPMENT MAINTENANCE AND CALIBRATION, MASSAGE AND SPA SERVICES, COMMERCIAL LAUNDRY SERVICES, OUTSIDE LAB SERVICES, FACILITY RENTAL.

TO FORM 990-T, PAGE 1

FORM 990-T INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 2

DESCRIPTION	NET INCOME OR (LOSS)
PREMIER ALLIANCE K-1 - ORDINARY BUSINESS INCOME (LOSS)	21,493.
TOTAL INCLUDED ON FORM 990-T, PAGE 1, LINE 5	21,493.

FORM 990-T NET OPERATING LOSS DEDUCTION STATEMENT 3

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
09/30/05	56,527.	56,527.	0.	0.
09/30/06	158,773.	158,773.	0.	0.
09/30/07	529,629.	529,629.	0.	0.
09/30/08	792,895.	310,889.	482,006.	482,006.
09/30/09	501,226.	0.	501,226.	501,226.
09/30/11	89,019.	0.	89,019.	89,019.
09/30/14	95,089.	0.	95,089.	95,089.
NOL CARRYOVER AVAILABLE THIS YEAR			1,167,340.	1,167,340.

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income for
Unrelated Trade or Business**

ENTITY 1

OMB No 1545-0687

2018

For calendar year 2018 or other tax year beginning OCT 1, 2018 and ending SEP 30, 2019

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3)

Department of the Treasury
Internal Revenue Service (99)

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

Name of the organization **FIRSTHEALTH OF THE CAROLINAS, INC.** Employer identification number **56-1936354**

Unrelated business activity code (see instructions) ▶ **812300**

Describe the unrelated trade or business ▶ **LAUNDRY SERVICES**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	<u>64,222.</u>			
b Less returns and allowances				
c Balance ▶		1c <u>64,222.</u>		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit Subtract line 2 from line 1c		3 <u>64,222.</u>		<u>64,222.</u>
4 a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions, attach schedule)		12		
13 Total. Combine lines 3 through 12		13 <u>64,222.</u>		<u>64,222.</u>

Part II Deductions Not Taken Elsewhere (See 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)		14		
15 Salaries and wages		15	<u>24,795.</u>	
16 Repairs and maintenance		16		
17 Bad debts		17		
18 Interest (attach schedule) (see instructions)		18		
19 Taxes and licenses		19		
20 Charitable contributions (See instructions for limitation rules)		20		
21 Depreciation (attach Form 4562)	<u>21</u>		<u>157.</u>	
22 Less depreciation claimed on Schedule A and elsewhere on return	<u>22a</u>	22b		<u>157.</u>
23 Depletion		23		
24 Contributions to deferred compensation plans		24		
25 Employee benefit programs		25	<u>6,355.</u>	
26 Excess exempt expenses (Schedule I)		26		
27 Excess readership costs (Schedule J)		27		
28 Other deductions (attach schedule)		28	<u>22,321.</u>	
29 Total deductions. Add lines 14 through 28		29	<u>53,628.</u>	
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		30	<u>10,594.</u>	
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		31		
32 Unrelated business taxable income Subtract line 31 from line 30		32	<u>10,594.</u>	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

FIRSTHEALTH OF THE CAROLINAS, INC.

56-1936354

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **N/A**

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

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

1 Description of property		
(1)		
(2)		
(3)		
(4)		
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)		
(2)		
(3)		
(4)		
Total	0.	Total 0.
(c) Total income Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)		(b) Total deductions Enter here and on page 1, Part I, line 6, column (B)
0.		0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

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	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	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))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			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			0.	0.

FORM 990-T (M)

OTHER DEDUCTIONS

STATEMENT 4

DESCRIPTION	AMOUNT
SUPPLIES	12,416.
PURCHASED SERVICES	1,789.
UTILITIES	5,335.
MISCELLANEOUS	1,781.
990-T TAX PREPARATION FEE	1,000.
TOTAL TO SCHEDULE M, PART II, LINE 28	22,321.

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income for
Unrelated Trade or Business**

ENTITY 2

OMB No 1545-0687

2018

For calendar year 2018 or other tax year beginning OCT 1, 2018 and ending SEP 30, 2019

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

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Department of the Treasury
Internal Revenue Service (99)

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

Name of the organization **FIRSTHEALTH OF THE CAROLINAS, INC.** Employer identification number **56-1936354**

Unrelated business activity code (see instructions) ▶ **812900**

Describe the unrelated trade or business ▶ **SPA/MASSAGE SERVICES**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales <u>280,144.</u>			
b	Less returns and allowances			
c Balance ▶		1c		
		<u>280,144.</u>		
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit Subtract line 2 from line 1c	3	<u>0</u>	<u>280,144.</u>
4 a	Capital gain net income (attach Schedule D)	4a		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c	Capital loss deduction for trusts	4c		
5	Income (loss) from a partnership or an S corporation (attach statement)	5		
6	Rent income (Schedule C)	6		
7	Unrelated debt-financed income (Schedule E)	7		
8	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	8		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10	Exploited exempt activity income (Schedule I)	10		
11	Advertising income (Schedule J)	11		
12	Other income (See instructions, attach schedule)	12		
13	Total. Combine lines 3 through 12	13	<u>280,144.</u>	<u>280,144.</u>

Part II Deductions Not Taken Elsewhere (See 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)	14		
15	Salaries and wages	15	<u>185,463.</u>	
16	Repairs and maintenance	16		
17	Bad debts	17		
18	Interest (attach schedule) (see instructions)	18		
19	Taxes and licenses	19		
20	Charitable contributions (See instructions for limitation rules)	20		
21	Depreciation (attach Form 4562)	21	<u>11,106.</u>	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		22b <u>11,106.</u>
23	Depletion	23		
24	Contributions to deferred compensation plans	24		
25	Employee benefit programs	25	<u>47,293.</u>	
26	Excess exempt expenses (Schedule I)	26		
27	Excess readership costs (Schedule J)	27		
28	Other deductions (attach schedule)	28	<u>SEE STATEMENT 5</u>	<u>21,388.</u>
29	Total deductions. Add lines 14 through 28	29		<u>265,250.</u>
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30		<u>14,894.</u>
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31		
32	Unrelated business taxable income Subtract line 31 from line 30	32		<u>14,894.</u>

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

FIRSTHEALTH OF THE CAROLINAS, INC.

56-1936354

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **N/A**

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

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

1. Description of property

(1)
(2)
(3)
(4)

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)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) Total income Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.**

(b) Total deductions Enter here and on page 1, Part I, line 6, column (B) **0.**

Schedule E - Unrelated Debt-Financed Income (see instructions)

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		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	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))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A) 0.	Enter here and on page 1, Part I, line 7, column (B) 0.
Total dividends-received deductions included in column 8			0.	0.

FORM 990-T (M)

OTHER DEDUCTIONS

STATEMENT 5

DESCRIPTION	AMOUNT
SUPPLIES	6,432.
UTILITIES	10,955.
MISCELLANEOUS	3,001.
990-T TAX PREPARATION FEE	1,000.
TOTAL TO SCHEDULE M, PART II, LINE 28	21,388.

2018

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

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income for
Unrelated Trade or Business**

For calendar year 2018 or other tax year beginning OCT 1, 2018 and ending SEP 30, 2019

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▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3)

Department of the Treasury
Internal Revenue Service (99)

Name of the organization

FIRSTHEALTH OF THE CAROLINAS, INC.

Employer identification number

56-1936354

Unrelated business activity code (see instructions) ▶ 621610

Describe the unrelated trade or business ▶ **MEDICAL SERVICES**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	<u>1,237,589.</u>			
b Less returns and allowances				
c Balance ▶		1c <u>1,237,589.</u>		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit Subtract line 2 from line 1c		3 <u>1,237,589.</u>		<u>1,237,589.</u>
4 a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from a partnership or an S corporation (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions, attach schedule)		12		
13 Total. Combine lines 3 through 12		13 <u>1,237,589.</u>		<u>1,237,589.</u>

Part II Deductions Not Taken Elsewhere (See 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)		14		
15 Salaries and wages		15	<u>303,505.</u>	
16 Repairs and maintenance		16		
17 Bad debts		17		
18 Interest (attach schedule) (see instructions)		18		
19 Taxes and licenses		19		
20 Charitable contributions (See instructions for limitation rules)		20		
21 Depreciation (attach Form 4562)	<u>22,231.</u>	21		
22 Less depreciation claimed on Schedule A and elsewhere on return		22a		
23 Depletion		22b	<u>22,231.</u>	
24 Contributions to deferred compensation plans		23		
25 Employee benefit programs		24		
26 Excess exempt expenses (Schedule I)		25	<u>69,183.</u>	
27 Excess readership costs (Schedule J)		26		
28 Other deductions (attach schedule)	SEE STATEMENT 6	27		
29 Total deductions. Add lines 14 through 28		28	<u>643,362.</u>	
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		29	<u>1,038,281.</u>	
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		30	<u>199,308.</u>	
32 Unrelated business taxable income Subtract line 31 from line 30		31		
		32	<u>199,308.</u>	

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

FIRSTHEALTH OF THE CAROLINAS, INC.

56-1936354

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **N/A**

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

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

1. Description of property		
(1)		
(2)		
(3)		
(4)		
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)		
(2)		
(3)		
(4)		
Total	0.	Total 0.
(c) Total income Add totals of columns 2(a) and 2(b) Enter here and on page 1, Part I, line 6, column (A)		(b) Total deductions Enter here and on page 1, Part I, line 6, column (B)
0.		0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

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	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	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))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			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			0.	0.
				0.

FORM 990-T (M)

OTHER DEDUCTIONS

STATEMENT 6

DESCRIPTION	AMOUNT
SUPPLIES	268,784.
PURCHASED SERVICES	114,208.
UTILITIES	12,392.
BAD DEBT EXPENSE	170,868.
MISCELLANEOUS	75,460.
990-T TAX PREPARATION FEE	1,650.
TOTAL TO SCHEDULE M, PART II, LINE 28	643,362.

2018

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

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income for
Unrelated Trade or Business**

For calendar year 2018 or other tax year beginning OCT 1, 2018 and ending SEP 30, 2019

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3)

Department of the Treasury
Internal Revenue Service (99)

Name of the organization **FIRSTHEALTH OF THE CAROLINAS, INC.** Employer identification number **56-1936354**

Unrelated business activity code (see instructions) ▶ 532000
Describe the unrelated trade or business ▶ RENTAL ACTIVITY

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales				
b Less returns and allowances				
c Balance ▶	1c			
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit Subtract line 2 from line 1c	3			
4 a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from a partnership or an S corporation (attach statement)	5			
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7	73,241.	142,074.	-68,833.
8 Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (See instructions, attach schedule)	12			
13 Total. Combine lines 3 through 12	13	73,241.	142,074.	-68,833.

Part II Deductions Not Taken Elsewhere (See 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)	14		
15 Salaries and wages	15		
16 Repairs and maintenance	16		
17 Bad debts	17		
18 Interest (attach schedule) (see instructions)	18		
19 Taxes and licenses	19		
20 Charitable contributions (See instructions for limitation rules)	20		
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		22b
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25		
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach schedule)	28		
29 Total deductions. Add lines 14 through 28	29		0.
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30		-68,833.
31 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31		
32 Unrelated business taxable income Subtract line 31 from line 30	32		-68,833.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

FIRSTHEALTH OF THE CAROLINAS, INC.

56-1936354

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

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

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

(see instructions)

1 Description of property		
(1)		
(2)		
(3)		
(4)		
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)		
(2)		
(3)		
(4)		
Total	Total	
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B)

Schedule E - Unrelated Debt-Financed Income (see instructions)

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	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)	MEDICAL OFFICE BUILDING	73,241.	0.	STATEMENT 7 142,074.
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	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))
STATEMENT 8	STATEMENT 9			
(1)	2,847,587.	2,847,587.	100.00%	73,241.
(2)			%	142,074.
(3)			%	
(4)			%	
Totals			73,241.	142,074.
Total dividends-received deductions included in column 8				0.

FORM 990-T (M) SCHEDULE E - OTHER DEDUCTIONS STATEMENT 7

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
SALARIES		4,561.	
BENEFITS		1,167.	
SUPPLIES		1,414.	
PURCHASED SERVICES		30,861.	
UTILITIES		30,974.	
PROPERTY TAXES		19,390.	
OPERATING EXPENSES		66.	
DEPRECIATION		53,641.	
- SUBTOTAL -	4		142,074.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)			142,074.

FORM 990-T (M) AVERAGE ACQUISITION DEBT ON OR ALLOCABLE TO DEBT-FINANCED PROPERTY STATEMENT 8

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
ADJUSTED BASIS		2,847,587.	
- SUBTOTAL -	4		2,847,587.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 4			2,847,587.

FORM 990-T (M) AVERAGE ADJUSTED BASIS OF OR ALLOCABLE TO DEBT-FINANCED PROPERTY STATEMENT 9

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AQUISITION DEBT AVG		2,847,587.	
- SUBTOTAL -	4		2,847,587.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 5			2,847,587.