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Form 990   Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>  The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047  <b>2010</b>  <b>Open to Public Inspection</b>
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<b>A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011</b>		
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization Greater Baltimore Medical Center Inc  Doing Business As  Number and street (or P O box if mail is not delivered to street address) Room/suite 6701 North Charles Street  City or town, state or country, and ZIP + 4 Baltimore, MD 21204	<b>D Employer identification number</b>  52-6049658  <b>E Telephone number</b>  (443) 849-2000  <b>G</b> Gross receipts \$ 429,236,710
	<b>F</b> Name and address of principal officer Eric Melchior 6701 North Charles Street Baltimore, MD 21204	<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>H(c)</b> Group exemption number ▶
	<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
	<b>J Website:</b> ▶ www.gbmc.org	
	<b>K</b> Form 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 1960

Part I		Summary	
Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities To provide medical care and service of the highest quality to each patient (Cont on Sch O) leading to health, healing and hope		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	23
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	16
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . . .	<b>5</b>	3,702
<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	773	
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	388,414	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	10	
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	9,557,490	7,520,683
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	389,965,425	403,414,142
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-134,107	2,351,182
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	3,672,291	3,239,874
		403,061,099	416,525,881
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	189,104	266,786
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	203,765,711	205,805,191
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <sup>0</sup>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .	178,671,973	184,887,762
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	382,626,788	390,959,739
	<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	20,434,311	25,566,142
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	<b>20</b> Total assets (Part X, line 16) . . . . .	398,271,235	439,992,741
	<b>21</b> Total liabilities (Part X, line 26) . . . . .	229,440,046	244,186,353
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .	168,831,189	195,806,388

<b>Part II Signature Block</b>					
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.					
Sign Here	Signature of officer			2012-05-11 Date	
	John B Chessare MD CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name Yvette L Woods	Preparer's signature Yvette L Woods	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ DELOITTE TAX LLP				Firm's EIN ▶
	Firm's address ▶ 1750 TYSONS BLVD MCLEAN, VA 221024219				Phone no ▶ (703) 251-1000
May the IRS discuss this return with the preparer shown above? (see instructions) . . . . .					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

See Schedule O

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 128,200,182 including grants of \$ ) (Revenue \$ 154,621,580 )

The Greater Baltimore Medical Center, Inc (GBMC) is a 300-bed medical center (acute and sub-acute care) located on a suburban campus which provided inpatient care to 19,904 patients and delivered over 4,400 babies in the fiscal year Since its founding, GBMC's accomplishments have validated the vision of its founders to combine the best of community and university-level medicine GBMC's distinctive service lines include women's cancer, surgical and medical services GBMC is a fully accredited teaching hospital that is affiliated with John Hopkins University

4b

(Code ) (Expenses \$ 75,761,263 including grants of \$ ) (Revenue \$ 94,726,921 )

The operating room performed over 30,100 inpatient and outpatient surgical procedures in the fiscal year Specialties include GBMC's comprehensive obesity management program, the oldest recognized American Society of Metabolic and Banatric surgery (ASMBS) Center of Excellence in the Metropolitan Baltimore area, Johns Hopkins head and neck surgery at GBMC, minimally invasive and endocrine surgery, neurosurgery, vascular and thoracic surgery, and urology

4c

(Code ) (Expenses \$ 61,068,769 including grants of \$ ) (Revenue \$ 85,353,451 )

The emergency department treated 57,400 patients in the fiscal year The emergency services department has 3 patient care areas, designed to minimize wait & maximize service for patients & their families Patients with minor injuries such as sprains are cared for in the Urgent Care area Severe problems such as acute abdominal pain, chest pain or injuries from motor vehicle accidents are evaluated and treated in Emergent Care Adjacent to the Emergent Care area is an Observational care area for adult patients who need to be monitored but not admitted In addition to emergency services, GBMC provided other outpatient care to over 46,301 patients in specialty clinics such as Ophthalmology, wound care, anti-coagulation, radiation oncology and infusion therapy

4d



















Other program services (Describe in Schedule O ) See also Additional Data for Description

(Expenses \$ 80,583,056 including grants of \$ 266,786 ) (Revenue \$ 68,712,191 )

4e

Total program service expenses \$ 345,613,270

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25 . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<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? If "Yes," complete Schedule L, Part I . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV . . . . .	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M . . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 . . . . .	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? . . . . .	35		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 . . . . .			
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

<div>Part V</div> <div>Statements Regarding Other IRS Filings and Tax Compliance</div> <div>Check if Schedule O contains a response to any question in this Part V</div>			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a268		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.	2a3,702		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9 Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b		
11 Section 501(c)(12) organizations. Enter				
a	Gross income from members or shareholders.	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.				
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b		
c	Enter the amount of reserves on hand.	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		

Part VI

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

Section A. Governing Body and Management			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . .	1a23		
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	1b16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	5		No
6	Does the organization have members or stockholders? . . . . .	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following . . . . .			
a	The governing body? . . . . .	8a	Yes	
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)			Yes	No
10a	Does the organization have local chapters, branches, or affiliates? . . . . .	10a	Yes	
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	10b	Yes	
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	12c	Yes	
13	Does the organization have a written whistleblower policy? . . . . .	13	Yes	
14	Does the organization have a written document retention and destruction policy? . . . . .	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? . . . . .			
a	The organization's CEO, Executive Director, or top management official . . . . .	15a	Yes	
b	Other officers or key employees of the organization . . . . .	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions) . . . . .			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	16b		

Section C. Disclosure	
17	List the States with which a copy of this Form 990 is required to be filed▶MD
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ Eric Melchior 6701 North Charles Street Baltimore, MD 21204 (443) 849-2000

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

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

Form **990** (2010)



## Part VII

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								9,987,979	0	1,244,116

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization: 264

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

## **Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
Johns Hopkins University 125 Medical Admin Rd 720 Rutland Baltimore, MD 21205	Residency Program	2,784,671
Medical Imaging of Baltimore PO Box 630277 Baltimore, MD 212630277	Radiology Services	2,109,026
Mayflower Textile Service 2601 W Lexington St PO Box 20659 Baltimore, MD 212230492	Linen services	1,715,850
Physicians Anesthesia Associates LLC 110 West Road Suite 210 Towson, MD 21204	Anesthesia Services	1,469,742
Aramark Healthcare Support Services PO Box 651009 Charlotte, NC 28265	Management - Dietary	1,464,812
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶117		

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections  512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . . . . 1a					
	b	Membership dues . . . . . 1b					
	c	Fundraising events . . . . . 1c	309,900				
	d	Related organizations . . . . . 1d	6,298,058				
	e	Government grants (contributions) 1e	708,219				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	204,506				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . . ▶	7,520,683				
	Program Service Revenue	2a	Business Code				
		Patient Service 621110	397,042,952	397,042,952			
b		Other Operating Rev 900099	6,371,190	5,982,776	388,414		
c							
d							
e							
f		All other program service revenue					
g		Total. Add lines 2a–2f . . . . . ▶	403,414,142				
Other Revenue		3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶	221,502			221,502
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
	6a	Gross Rents	(i) Real	(ii) Personal			
		b	Less rental expenses				
		c	Rental income or (loss)				
		d	Net rental income or (loss) . . . . . ▶				
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		b	Less cost or other basis and sales expenses				
		c	Gain or (loss)				
		d	Net gain or (loss) . . . . . ▶				
	8a	Gross income from fundraising events (not including \$ 309,900 of contributions reported on line 1c) See Part IV, line 18 . . . . . a					
		b	Less direct expenses . . . . . b	20,394			
		c	Net income or (loss) from fundraising events . . ▶	294,456			
	9a	Gross income from gaming activities See Part IV, line 19 . a					
		b	Less direct expenses . . . . . b				
		c	Net income or (loss) from gaming activities . . ▶				
	10a	Gross sales of inventory, less returns and allowances . . . . . a					
		b	Less cost of goods sold . . . . . b				
		c	Net income or (loss) from sales of inventory . . ▶				
	Miscellaneous Revenue		Business Code				
	11a	Cafeteria Income	722210	1,965,936			1,965,936
b		Parking Revenue	812930	1,525,476		1,525,476	
c		Billing Fees	561000	22,524	22,524		
d		All other revenue . . . . .					
e		Total. Add lines 11a–11d . . . . . ▶		3,513,936			
12	Total revenue. See Instructions . . . . . ▶		416,525,881	403,048,252	388,414	5,568,532	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	266,786	266,786		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees . . . . .	11,486,398		11,486,398	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
7	Other salaries and wages	154,068,668	149,563,914	4,504,754	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	10,940,756	8,764,153	2,176,603	
9	Other employee benefits . . . . .	17,855,211	14,820,639	3,034,572	
10	Payroll taxes . . . . .	11,454,158	10,519,986	934,172	
a	Fees for services (non-employees)				
	Management . . . . .	3,864,299	2,190,873	1,673,426	
b	Legal . . . . .	725,777	96,964	628,813	
c	Accounting . . . . .	216,703	45,844	170,859	
d	Lobbying . . . . .	54,667		54,667	
e	Professional fundraising services See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .	151,988		151,988	
g	Other . . . . .	25,403,974	23,042,522	2,361,452	
12	Advertising and promotion . . . . .	1,280,768	162,556	1,118,212	
13	Office expenses . . . . .	90,575,201	89,174,498	1,400,703	
14	Information technology . . . . .	4,430,752	3,412,476	1,018,276	
15	Royalties . . . . .				
16	Occupancy . . . . .	2,183,373	1,662,979	520,394	
17	Travel . . . . .	325,347	219,295	106,052	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	536,690	432,141	104,549	
20	Interest . . . . .	6,382,377	5,397,944	984,433	
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	23,678,489	20,791,537	2,886,952	
23	Insurance . . . . .	9,089,520	1,647,707	7,441,813	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a	Uncollectible Accounts	9,507,370	9,506,184	1,186	
b	Purchased Services	3,991,225	1,966,131	2,025,094	
c	Residents	1,745,799	1,745,799		
d	Other (Dues & Amort )	743,443	182,342	561,101	
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	390,959,739	345,613,270	45,346,469	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .				1	
	2	Savings and temporary cash investments . . . . .			30,989,986	2	44,002,416
	3	Pledges and grants receivable, net . . . . .			1,974,530	3	3,385,348
	4	Accounts receivable, net . . . . .			50,940,403	4	49,378,724
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .				7	
	8	Inventories for sale or use . . . . .			3,292,075	8	3,353,319
	9	Prepaid expenses and deferred charges . . . . .			9,277,536	9	7,009,111
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	506,452,534			
	b	Less: accumulated depreciation . . . . .	10b	276,626,000	206,253,283	10c	229,826,534
	11	Investments—publicly traded securities . . . . .			59,506,442	11	73,562,525
	12	Investments—other securities. See Part IV, line 11 . . . . .			16,134,012	12	19,269,361
	13	Investments—program-related. See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .				14	
	15	Other assets. See Part IV, line 11 . . . . .			19,902,968	15	10,205,403
16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			398,271,235	16	439,992,741	
Liabilities	17	Accounts payable and accrued expenses . . . . .			55,445,898	17	55,701,495
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .				19	
	20	Tax-exempt bond liabilities . . . . .			119,590,603	20	114,139,751
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .				22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .				23	
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .			54,403,545	25	74,345,107
	26	Total liabilities. Add lines 17 through 25 . . . . .			229,440,046	26	244,186,353
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 . . . . .			139,905,590	27	165,169,584
	28	Temporarily restricted net assets . . . . .			22,364,949	28	23,050,770
	29	Permanently restricted net assets . . . . .			6,560,650	29	7,586,034
	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	Total net assets or fund balances . . . . .			168,831,189	33	195,806,388
34	Total liabilities and net assets/fund balances . . . . .			398,271,235	34	439,992,741	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	416,525,881
2	Total expenses (must equal Part IX, column (A), line 25)	2	390,959,739
3	Revenue less expenses Subtract line 2 from line 1	3	25,566,142
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	168,831,189
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,409,057
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	195,806,388

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization Greater Baltimore Medical Center Inc	Employer identification number 52-6049658
--	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(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 supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(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
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))			14			
15 Public Support Percentage for 2009 Schedule A, Part II, line 14			15			
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6 )						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
13 Total support (Add lines 9, 10c, 11 and 12 )						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		



Part IV

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

Additional Data

Software ID:

Software Version:

EIN: 52-6049658

Name: Greater Baltimore Medical Center Inc

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
The Honorable Vicki Ballou-Watts Director	1 00	X						0	0	0
Mrs Sandra Berman Director	1 00	X						0	0	0
Robert K Brookland MD Director	1 00	X						0	0	0
Mr Samuel Heffner Director	1 00	X						0	0	0
Mr Frederick M Hudson Director	1 00	X						0	0	0
Mr Frank R Palmer Director	1 00	X						0	0	0
Mrs Mary Stuart Rodgers Director	1 00	X						0	0	0
Mr Robert A Shelton Director	1 00	X						0	0	0
Mr Bernard Siegel Director	1 00	X						0	0	0
Howard L Siegel MD Director (left 12/10)	1 00	X						0	0	0
Mr Stuart O Simms Director	1 00	X						0	0	0
Ms Bonnie R Stein Director	1 00	X						0	0	0
Mr James B Stradtner Director	1 00	X						0	0	0
Mr Steven A Thomas Director	1 00	X						0	0	0
Ms Marion G Thompson Director	1 00	X						0	0	0
Harold Tucker MD Chief of Staff	1 00	X						130,000	0	0
Ronald F Tutrone Jr MD Director	12 00	X						210,000	0	0
John M Wogan MD Vice Chief of Staff	1 00	X						0	0	0
John B Chessare MD President & CEO	31 00	X		X				464,369	0	181,443
Mr Charles C Fenwick Jr Chair	1 00	X		X				0	0	0
Mr Harry S Johnson Chair-Elect	1 00	X		X				0	0	0
Mr Thomas M Kane V Chair (left 8/10)	1 00	X		X				0	0	0
Ms Patricia J Mitchell Vice Chair	1 00	X		X				0	0	0
Mr Stephen T Scott Treasurer	1 00	X		X				0	0	0
Mrs Mary B Wieler Secretary	1 00	X		X				0	0	0

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Mr Eric L Melchior EVP & CFO	31 00			X				504,353	0	130,184
Mr Keith R Poisson EVP & COO	34 00			X				452,385	0	106,912
John R Saunders MD Chief Medical Officer	35 00			X				413,984	0	33,703
Mr George E Bayless VP Finance	33 00				X			257,058	0	55,159
Mrs Carolyn Candiello VP Quality & Pt Safety	40 00				X			39,223	0	7,548
Mr John Ellis Sr VP Strategy & Bus Dev	20 00				X			410,359	0	114,312
Mr Michael A Forthman VP Facilities & Support Ser	35 00				X			217,956	0	42,868
Mrs Joanne Porter Sr VP Chief Nursing Exec	39 00				X			302,814	0	57,998
Mr Douglas G Smith VP Development (left 7/10)	4 00				X			145,934	0	21,598
Mrs Tressa B Springmann VP & CIO	39 00				X			331,132	0	50,768
Mr Mark R Thomas VP Human Resources	35 00				X			303,468	0	52,481
Rodney W Williams MD EVP Medical Affairs (left 9/10)	35 00				X			956,764	0	75,795
Catherine Hamel VP Post Acute Services	5 00				X			198,715	0	41,479
Reginald J Davis MD Med Dir/Physican	40 00					X		1,609,829	0	49,362
Gary I Cohen MD Med Dir/Physican	40 00					X		759,719	0	55,272
Bimal G Ramı MD Physician	40 00					X		707,902	0	49,613
Neri N Cohen MD Med Dir/Physican	40 00					X		692,607	0	49,888
Paul Celano MD Medical Oncologist	40 00					X		595,061	0	49,409
Mr Steve Twaddle left 909 Former VP GBMA	0 00						X	105,369	0	10,000
Ms Catherine J Boyne left 210 Former President Hospice	0 00						X	239,981	0	22,442
Mr Laurence Merlis left 210 Former CEO & President	0 00						X	124,154	0	15,028

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services				
(Code	) (Expenses \$	80,583,056	including grants of \$	266,786 ) (Revenue \$
Laboratory Service, Radiology - Therapeutic, Residency Program, Magnetic Resonance Imaging, Cardiac Catherization, Other Program Services				
(Code	) (Expenses \$		including grants of \$	) (Revenue \$
Laboratory Service, Radiology - Therapeutic, Residency Program, Magnetic Resonance Imaging, Physician Practices, Cardiac Catherization, Other Program Services				

SCHEDULE C  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below.**  
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization Greater Baltimore Medical Center Inc	Employer identification number 52-6049658
--	--

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

1	Provide a description of the organization’s direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$ _____
3	Volunteer hours	_____

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$ _____
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$ _____
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If “Yes,” describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$ _____
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$ _____
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ _____
4	Did the filing organization file <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></tbody></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	<b>a</b> Volunteers?	Yes		
	<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
	<b>c</b> Media advertisements?		No	
	<b>d</b> Mailings to members, legislators, or the public?	Yes		
	<b>e</b> Publications, or published or broadcast statements?	Yes		3,347
	<b>f</b> Grants to other organizations for lobbying purposes?		No	
	<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		41,278
	<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		9,205
	<b>j</b> Total lines 1c through 1i			54,666
	<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912				
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
Explanation of Other Lobbying Activities	Part II-B, Line 1i	The amount for other activities includes meeting with GBMC staff, legislative committees and contracted GBMC lobbyists, as well as amounts incurred for general research on federal and state healthcare issues

SCHEDULE D

(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public  
Inspection

**Name of the organization**  
Greater Baltimore Medical Center Inc

**Employer identification number**  
52-6049658

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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

3

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

4

Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

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

2

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

a

Revenues included in Form 990, Part VIII, line 1▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X▶ \$ \_\_\_\_\_



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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance . . . . .	10,391,609	9,433,475	10,781,157	
b	Contributions . . . . .	1,025,384	2,135	53,262	
c	Investment earnings or losses . . . . .	1,484,905	993,109	-1,358,011	
d	Grants or scholarships . . . . .				
e	Other expenditures for facilities and programs . . . . .	33,200	37,110	42,933	
f	Administrative expenses . . . . .				
g	End of year balance . . . . .	12,868,698	10,391,609	9,433,475	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 58 950 %

c

Term endowment ▶ 41 050 %

3a

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

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

b

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

	Yes	No
3a(i)		No
3a(ii)		No
3b		

4

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		15,290,673		15,290,673
b Buildings . . . . .		268,378,249	115,413,595	152,964,654
c Leasehold improvements . . . . .		7,748,493	4,604,318	3,144,175
d Equipment . . . . .		119,650,772	93,122,651	26,528,121
e Other . . . . .		95,384,347	63,485,436	31,898,911
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				229,826,534



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)	1416,525,881
2	Total expenses (Form 990, Part IX, column (A), line 25)	2390,959,739
3	Excess or (deficit) for the year Subtract line 2 from line 1	325,566,142
4	Net unrealized gains (losses) on investments	42,360,886
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7-5,794,497
8	Other (Describe in Part XIV)	84,842,668
9	Total adjustments (net) Add lines 4 - 8	91,409,057
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	1026,975,199

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements . . . . .	1419,790,900
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments . . . . .	2a2,360,886
b	Donated services and use of facilities . . . . .	2b
c	Recoveries of prior year grants . . . . .	2c
d	Other (Describe in Part XIV) . . . . .	2d-151,987
e	Add lines 2a through 2d . . . . .	2e2,208,899
3	Subtract line 2e from line 1 . . . . .	3417,582,001
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-1,056,120
c	Add lines 4a and 4b . . . . .	4c-1,056,120
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5416,525,881

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements . . . . .	1392,667,399
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities . . . . .	2a
b	Prior year adjustments . . . . .	2b
c	Other losses . . . . .	2c
d	Other (Describe in Part XIV) . . . . .	2d
e	Add lines 2a through 2d . . . . .	2e0
3	Subtract line 2e from line 1 . . . . .	3392,667,399
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-1,707,660
c	Add lines 4a and 4b . . . . .	4c-1,707,660
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5390,959,739

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	Part V, line 4 GBMC Investments holds and manages the endowment of the Hospital. Intended uses of the organization's Endowment Funds: 1) Research - Support clinical research performed at Greater Baltimore Medical Center; 2) Education - Support education programs, lectures and scholarships; 3) Special Programs - Rehabilitation services for low vision and blindness, human genetics and the Center for Nursing Excellence; 4) General Support for Greater Baltimore Medical Center.
Description of Uncertain Tax Positions Under FIN 48	Part X	Greater Baltimore Medical Center, Inc., as an affiliate of GBMC Healthcare, Inc. & Subsidiaries, has accounted for uncertain tax positions in accordance with ASC 740 and has determined that these positions, as a whole, are immaterial.
Part XI, Line 8 - Other Adjustments		Pediatric Surgery (783,141 less FY11 net Inc.) -20,387; Equity in Earnings 6,561,409; Transfer to Affiliates -10,999,970; Pension Expense 9,301,616.
Part XII, Line 2d - Other Adjustments		Investment Fee reclassified to expense -151,987.
Part XII, Line 4b - Other Adjustments		Event Expense, netted from revenue -294,456; Pediatric Surgery (Rev - Allowance) - netted from revenue -761,666; Misc 2.
Part XIII, Line 4b - Other Adjustments		Investment Fee reclassified to expense 151,987; Event Expense, netted from revenue -294,456; Pediatric Surgery - 1,565,191.

## Supplemental Information Regarding Fundraising or Gaming Activities

Department of the Treasury  
Internal Revenue Service

**Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**

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

OMB No 1545-0047

# 2010

## Open to Public Inspection

Name of the organization	Greater Baltimore Medical Center Inc
--------------------------	--------------------------------------

**Employer identification number**  
52-6049658

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

**1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a** ☐ Mail solicitations
- b** ☐ Internet and e-mail solicitations
- c** ☐ Phone solicitations
- d** ☐ In-person solicitations
- e** ☐ Solicitation of non-government grants
- f** ☐ Solicitation of government grants
- g** ☐ Special fundraising events

**2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

**b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total . . . . . ▶						

**3** List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

[illegible]

Part II Fundraising Events.

Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events	
			<u>Father's Day 5K</u>	<u>GBMC Golf Outing</u>	<u>1</u>	(Add col (a) through	
			(event type)	(event type)	(total number)	col (c))	
	1	Gross receipts . . . . .	106,086	222,808	1,400	330,294	
	2	Less Charitable contributions . . . . .	106,086	203,814		309,900	
3	Gross income (line 1 minus line 2) . . . . .		18,994	1,400	20,394		
Direct Expenses	4	Cash prizes . . . . .					
	5	Non-cash prizes . . . . .	9,406	66,343		75,749	
	6	Rent/facility costs . . . . .		23,294	65,000	88,294	
	7	Food and beverages . . . . .	1,476	46,130	53,921	101,527	
	8	Entertainment . . . . .	400			400	
	9	Other direct expenses . . . . .	24,876	871	2,740	28,487	
	10	Direct expense summary Add lines 4 through 9 in column (d). . . . . ▶					294,457
	11	Net income summary Combine lines 3 and 10 in column (d). . . . . ▶					-274,063

Part III Gaming.

Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1	Gross revenue . . . . .			
	2	Cash prizes . . . . .			
Direct Expenses	3	Non-cash prizes . . . . .			
	4	Rent/facility costs . . . . .			
	5	Other direct expenses . . . . .			
	6	Volunteer labor . . . . .	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No
7 Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶					
8 Net gaming income summary Combine lines 1 and 7 in column (d) . . . . . ▶					

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states? . . . . .

☐ Yes ☐ No

b If "No," Explain \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . .

☐ Yes ☐ No

b If "Yes," Explain \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_

c

If "Yes," enter name and address

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

16 Gaming manager information

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

☐ Director/officer      ☐ Employee      ☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
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SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
Greater Baltimore Medical Center Inc

Employer identification number  
52-6049658

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	Yes	
b	If "Yes," is it a written policy? . . . . .	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  a 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 FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%</div> <div><input type="checkbox"/> 150%</div> <div><input type="checkbox"/> 200%</div> <div><input checked="" type="checkbox"/> Other <u>300.000000000000 %</u></div>	Yes	
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 . . . . . <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input type="checkbox"/> 400%</div> <div><input checked="" type="checkbox"/> Other <u>300.000000000000 %</u></div>	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . .	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .		No
6a	Does the organization prepare a community benefit report during the tax year? . . . . .	Yes	
6b	If "Yes," did 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	Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			7,510,449	2,812,244	4,698,205	1 200 %
b Unreimbursed Medicaid (from Worksheet 3, column a) . . . . .						
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) . . . . .						
d Total Financial Assistance and Means-Tested Government Programs . . . . .			7,510,449	2,812,244	4,698,205	1 200 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			610,977	3,750	607,227	0 160 %
f Health professions education (from Worksheet 5) . . . . .			10,929,475	44,300	10,885,175	2 780 %
g Subsidized health services (from Worksheet 6) . . . . .			287,827		287,827	0 070 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . . .			66,263		66,263	0 020 %
j Total Other Benefits . . . . .			11,894,542	48,050	11,846,492	3 030 %
k Total. Add lines 7d and 7j) . . . . .			19,404,991	2,860,294	16,544,697	4 230 %

Part II

Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(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		25,000		25,000	0 010 %
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		52,601		52,601	0 010 %
7	Community health improvement advocacy					
8	Workforce development		100,000		100,000	0 030 %
9	Other					
10	Total		177,601		177,601	0 050 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes
2	Enter the amount of the organization's bad debt expense (at cost)	2	7,226,258
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used. <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
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	9b	Yes

Part IV

Management Companies and Joint Ventures

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



## Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

**Schedule H (Form 990) 2010**

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? \_\_\_\_\_

Name and address	Type of Facility (Describe)
1	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g, open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		Part I, Line 7 Cost of Charity Care was calculated using the cost-to-charge ratio prescribed in the instructions to Worksheet 2 Maryland's regulatory system creates a unique process for hospital payment that differs from the rest of the nation The Health Services Cost Review Commission (HSCRC) determines payment through a rate setting process and all payors, including governmental payors, pay the same amount for the same services delivered at the same hospital Maryland's unique all payor system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any offsetting revenue related to Uncompensated Care Additionally, line 7 also includes the cost to the hospital of Maryland's Medicaid assessment, which represents funding by Maryland hospitals to cover recent budget shortfalls experienced by the Medicaid program in Maryland Specifically, the hospital has had \$2,812,244 placed into its rates structure (offsetting revenue), but paid \$3,808,124, or a net cost of \$995,880, as its share of the Medicaid assessment program in FY 2011 Part I, Line 7b Maryland's regulatory system creates a unique process for hospital payment that differs from the rest of the nation The Health Services Cost Review Commission (HSCRC) determines payment through a rate setting process and all payors, including governmental payors, pay the same amount for the same services delivered at the same hospital Maryland's unique all payor system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any directed offsetting revenue related to Uncompensated Care Community benefit expenses are equal to Medicaid revenues in Maryland, as such, the net effect is zero The exception to this is the impact on the hospital of its share of the Medicaid assessment In recent years, the state of Maryland has closed fiscal gaps in the state Medicaid budget by assessing hospitals through the rate setting system The value of the Medicaid assessment is included on line 7 and reported as a Medicaid Provider tax Part I, Line 7f, Column c Maryland's regulatory system creates a unique process for hospital payment that differs from the rest of the nation The Health Services Cost Review Commission (HSCRC) determines payment through a rate setting process and all payors, including governmental payors, pay the same amount for the same services delivered at the same hospital Maryland's unique all payor system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any offsetting revenue related to Uncompensated Care Part I, Line 7f, Column d Maryland's regulatory system creates a unique process for hospital payment that differs from the rest of the nation The Health Services Cost Revenue Commission (HSCRC) determines payment through a rate setting process and all payors, including governmental payors, pay the same amount for the same services delivered at the same hospital Maryland's unique all payor system includes a method for referencing Uncompensated Care in each payors' rates, which does not enable Maryland hospitals to breakout any offsetting revenue related to Uncompensated Care

Identifier	ReturnReference	Explanation
		Part I, Line 7g GBMC supports coverage of specialty services (orthopedics, anesthesia, general surgery, etc ) provided in the emergency room to Medicaid and uninsured patient populations by ensuring payment of the physician professional fees for surgical related cases GBMC also employs a full-time Geriatric Nurse Practitioner whose sole responsibility is to provide education and primary care services at Towson area low income senior living facilities GBMC began a partnership with Catholic Charities and hired a pediatrician to provide on-site physician coverage at a residential mental health treatment for children (Villa Maria)

Identifier	ReturnReference	Explanation
		Part III, Line 9b Until final approval of the account as charity care, patients receive bills similar to non-charity care patients Once charity care is approved, the account is written off No further bills are sent and any refunds necessary are made to the patients Even if the account is in collection and a patient presents a hardship, the patient can qualify for charity care up to the point of a judgment made on the account

Identifier	ReturnReference	Explanation
		Part VI, Line 2 GBMC complete a GAP assessment designed to evaluate and understand the unmet healthcare needs of the GBMC community, and how GBMC, given its service orientation, might be best served to assist in meeting the identified unmet needs GBMC uses statistical and medical incidence data from local county health departments that collect such data, as well as other various national data GBMC maintains an inter-disciplinary Community Needs Advisory Committee with representation from the Board of Directors, Outreach Services, Compliance, Finance, Legal, Spiritual Support and other clinical based areas, which meets monthly to evaluate, debate and approve community based initiatives In addition, the committee reports directly to the President and Chief Executive Officer

Identifier	ReturnReference	Explanation
		Part VI, Line 3 GBMC educates patients about their eligibility for governmental assistance and organization charity care assistance in many ways, starting with the intake process A summary of the financial assistance policy is posted, along with contact information at all registration areas, the emergency room, and the billing office When patients are registered, they are provided with a financial assistance brochure and are handed a "Permissions/Acknowledgment" (signed by the patient) This form explains the hospital's financial assistance policy and provides GBMC phone numbers and a website Also stated on the form is information for how GBMC representatives can assist with applying for Maryland Medical Assistance GBMC also contracts with outside agencies to help with the medical assistance eligibility process Lastly, a statement about financial assistance and a copy of GBMC's policy accompanies all bills to patients

Identifier	ReturnReference	Explanation
		Part VI, Line 4 Greater Baltimore Medical Center, Inc ("GBMC") is a private, not-for-profit, 285 bed, regional medical center It is located in Towson, Maryland, a suburban Baltimore County community two miles north of Baltimore City GBMC's primary service area includes all of Baltimore County, the northern portion of Baltimore City, and portions of Carroll and Harford Counties The population in GBMC's service area has traditionally been affluent Baltimore County ranked 2nd among MD counties for the highest income per capita in 2007 The 2007 per capita income in Baltimore County was 34% higher than the nation In 2009, Baltimore County had a poverty level of 8.3% In FY 2009, GBMC's service area patients were 1.47% self-pay and 5.26% Medicaid GBMC's patients for that same period were 1.9% self-pay and 5.1% Medicaid



Identifier	ReturnReference	Explanation
		<p>Part VI, Line 6 A majority of GBMC's governing body is comprised of persons who reside in the organization's primary service area GBMC extends medical staff privileges to all qualified physicians in its community and reinvests its operating margin into improvements in patient care and research GBMC provides teaching through accredited intern and resident education programs in Internal Medicine, Gynecology, Ophthalmology, Otolaryngology, and Colo-Rectal surgery GBMC supports numerous community building activities and other initiatives designed to improve the health and meet the unmet healthcare needs of the community it serves, including the following An alliance with Cristo Rey High School - The Cristo Rey program has demonstrated a high level of success by providing an intensive education experience for inner city youth who frequently are faced with a variety of challenging circumstances GBMC's direct financial support provides an opportunity for Baltimore City students to work at GBMC and gain practical experience with an organization through work-study/internship Partnership with the American Diabetes Association "Reverse the Trend" Program - Clinical research has overwhelmingly identified the adverse consequences that occur when diabetes is developed The statistics documenting the increasing incidence of type two diabetes, particularly in adolescents, is staggering, with "One out of every three children born after the year 2000 developing diabetes in their lifetime" (source American Diabetes Association (ADA)) Unlike many global efforts to educate at-risk patients regarding diabetes, the "Reverse the Trend" program is a hands-on initiative that works in specific high-risk communities directly with individuals through Head-Start programs Additionally, through its Geckle Diabetes and Nutrition Center, GBMC directly helps patients with diabetes address and manage the daily and lifelong issues associated with this crippling disease Baltimore County Department of Aging - GBMC funded the start-up costs for the Baltimore County Community Care program, a service where registered residents (qualified based on age criteria) in Baltimore County can receive daily phone calls through an automated system to check on their safety and well-being Individuals that do not respond to the call are immediately identified as in need of assistance and attempts through designated emergency contacts are subsequently made Maryland Hospital Association "Who Will Care" Campaign - GBMC, through its state hospital association, has committed \$500,000 over a 5-year period to address the current and pending critical shortage in nursing identified as needed to care for patients during the next 20 years The program invests heavily in area colleges and universities and ensures programs are available to meet the needs of nurse students and ensure an adequate number of qualified nurses are available Baltimore County Safety Center - GBMC partnered with Baltimore County government to provide emergency preparedness through a dedicated Emergency Management facility that can be used by the community to stage disaster drills, provide mass vaccinations, etc This facility will serve the community by enhancing public safety and promoting wellness among all citizens Pediatric Support - Operated by Catholic Charities, the Villa Maria and St Vincent's Centers in Timonium offer residential mental health treatment for nearly 160 children between the ages of five to fourteen Owing to a variety of complex socio-economic issues, this highly at-risk population tends to have a variety of associated medical conditions When Catholic Charities noted the difficulty in finding adequate physician coverage to provide primary and preventive care, GBMC's Department of Pediatric Care Chairman, Timothy Doran, MD, quickly understood the critical need to provide these essential services at the facility's site to continue mental health treatments in the least disruptive manner possible As a result, in fiscal year 2009, GBMC hired Rachel Bergen, MD, and began partnering with Catholic Charities to provide a GBMC-employed pediatrician on-site at the treatment centers to deliver assessments and treatment, review medical reports and coordinate specialized care and dietary needs as necessary YOGA for Stroke Survivors - GBMC began offering YOGA classes to patients recovering from stroke who have exhausted insured rehabilitation services The premise is that through extended therapy, many patients can continue to realize improvements in range-of-motion (flexibility), walking stability and posture The 8-week classes are offered at a nominal fee of \$75 to cover only the initial physical therapy evaluation and are provided by a certified YOGA instructor The program has been cited as a "best practice" as part of The Joint Commission's recertification of the Primary Stroke Center in August 2010 Health Partnerships with Seniors - In the beginning of fiscal year 200</p>

Identifier	ReturnReference	Explanation
		<p>8, GBMC created a partnership of community outreach with the Assistance Center for Towson Churches and five senior income-restricted housing facilities to provide healthcare services to improve the health of the underserved population in neighborhoods surrounding the hospital's campus. This was a service that had at one-time been provided by Baltimore County, but was discontinued several years ago. Specifically, a nurse practitioner specializing in geriatrics visits the apartment buildings one to two times per week, providing primary health care services, including health screenings, exercise classes and basic health services such as blood pressure and glucose monitoring, immunizations and medication review. The nurse practitioner also offers an assessment of acute medical problems and provides monthly education on topics such as fall prevention, memory loss, depression and osteoporosis. Since the program was launched, the nurse practitioner has made more than 400 medical visits, administered more than 100 flu-pneumonia vaccines, has made numerous referrals to other medical providers and initiated weekly exercise classes in several of the facilities. The response to the service has been overwhelmingly positive, and GBMC believes that this has proven to be an invaluable service to the community members.</p> <p><b>Serving Those in Need Through Financial Assistance</b> - GBMC has long understood the need to provide the highest quality medical care to all patients regardless of ability to pay. Accordingly, GBMC uses financial criteria well in excess of nationally recognized Federal Poverty Guidelines and State of Maryland required standards in order to provide free care. In addition, GBMC also works with patients not qualifying under the Financial Assistance Policy in determining potential insurance eligibility, as well as establishing reasonable and affordable payment plans. GBMC continues to ensure access to specialty services through its funding of anesthesia, obstetrical, and orthopedic services to Medicaid and uninsured patient populations. GBMC has generally covered this by agreeing to provide physician payment for surgical cases coming through the emergency department where the patient is considered to be indigent.</p> <p><b>Medical Education</b> - A core component of the GBMC vision is to provide physicians, nurses and staff with medical sophistication through clinical education and research. Because of the critical importance of primary care services as well as core services, GBMC annually trains more than 60 interns, residents and fellows in the fields of Internal Medicine, Gynecology, Ophthalmology, Otolaryngology, Colorectal Surgery and GYN Oncology. Our physicians partner with the interns, residents and fellows to provide comprehensive and thorough training and education to ensure that the next generation of physicians is exceptionally prepared to serve the patients and communities in which they will serve. In addition to its intern and resident programs, GBMC also offers vital nurse training and operates an allied health professionals program for approximately 20 radiology technician students a year.</p>

Identifier	ReturnReference	Explanation
		Part VI, Line 7 GBMC affiliate, Gilchrist Hospice Care has entered into a entered into a new partnership with Nkoaranga Lutheran Hospital in the Arusha Region of Tanzania The pairing allows Gilchrist to share its wealth of knowledge about how best to provide quality, compassionate end-of-life care with a hospice program in Sub-Saharan Africa that struggles every day to care for hundreds of patients, more than 95 percent of whom suffer from HIV/AIDS, with limited staff and resources Through regular e-mails and phone calls and bi-annual visits between partners, Gilchrist hopes to share its expertise with Nkoaranga while also learning valuable lessons about how to do more with less and how to better care for patients in the last stages of HIV/AIDS The partnership, sponsored by the Foundations for Hospices in Sub-Saharan Africa, is part of a program that serves 16 countries in Africa through collaborations with hospice and palliative care programs in 28 states

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	MD

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Greater Baltimore Medical Center Inc

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

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

OMB No 1545-0047

2010

Open to Public  
Inspection

Employer identification number  
52-6049658

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. . . . . ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Towson University8000 York Road Towson, MD 21252	52-0939453	501(c)(3)	8,000				See Part IV
(2) Cristo Rey Internship Program Inc420 South Charles Street Baltimore, MD 21231	20-5300491	501(c)(3)	25,000				See Part IV
(3) Body Harmony Yoga10 Fila Way Suite D 392 Sparks, MD 21152	27-0877377	N/A	16,380				See Part IV
(4) Maryland Healthcare Education Institute6820 Deerpath Road Elkridge, MD 210756234	04-3511768	501(c)(3)	100,000				See Part IV
(5) American Diabetes AssociationPO Box 91560 Washington, DC 20077	13-5613797	501(c)(3)	15,000				See Part IV
(6) American Heart Association415 North Charles Street Baltimore, MD 21297	13-1623888	501(c)(3)	8,000				See Part IV
(7) GBMC Healthcare Inc 6701 North charles Street Baltimore, MD 21204	52-1484872	501(c)(3)	50,000				See Part IV

2

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

6

3

Enter total number of other organizations . . . . .

1

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 The organization's procedures for monitoring the use of grant funds in the U S are evaluated and selected through a formal Community Needs Advisory Committee and are based on unique and identified needs Periodic reports (some quarterly and others annually) are required by grantors Additionally, field visits are conducted
Other Information	Part IV	Part II, line 1, Column (h) Name of Organization or Government Towson University (h) Sponsorship of training program for healthcare students Name of Organization or Government Cristo Rey Internship Program, Inc (h) Purpose of Grant or Assistance Sponsorship of Baltimore urban youth college preparatory program Name of Organization or Government Body Harmony Yoga (h) Purpose of Grant or Assistance Yoga for stroke survivors, provided to them at no charge Name of Organization or Government Maryland Healthcare Education Institute (h) Purpose of Grant or Assistance MHA assistance in partnership with other organizations throughout the state to end Maryland's chronic nursing shortages Name of Organization or Government American Diabetes Association (h) Sponsorship work to end youth diabetes Name of Organization or Government American Heart Association (h) General support for American Heart Association Name of Organization or Government GBMC Healthcare, Inc (h) General support for GBMC Healthcare, Inc

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization Greater Baltimore Medical Center Inc	Employer identification number 52-6049658
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Part I

Questions Regarding Compensation

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

**Part II** **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								
( 2 )								
( 3 )								
( 4 )								
( 5 )								
( 6 )								
( 7 )								
( 8 )								
( 9 )								
( 10 )								
( 11 )								
( 12 )								
( 13 )								
( 14 )								
( 15 )								
( 16 )								



**Part III**   **Supplemental Information**

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	The executives of the organization have a limited accountable plan (expenses have to be supported with receipts) for the following expenses: financial and legal counseling, club memberships, tuition, health equipment, and medical expenses not covered by an insurance plan. The reimbursements range from \$3,000 to \$5,000 per year and are grossed-up for income tax purposes.
	Part I, Line 1b	Although not all the benefits identified in Schedule J, Part I, Line 1a are set forth in written policies, the Compensation Committee of Greater Baltimore Medical Center, Inc.'s parent organization, GBMC Healthcare, Inc., periodically reviews all benefits provided to executives, including those benefits specifically identified.
	Part I, Lines 4a-b	Part I, Line 4a: The following individuals received severance payments during the year: - Former Sr. Vice President Medical Affairs received severance payments totaling \$232,093 in calendar year 2010. - Former President Gilchrist Hospice Care, Inc., a subsidiary of GBMC Healthcare, Inc., received severance payments totaling \$170,211 for the calendar year ending 2010. - Former Vice President of GBMA, received severance payments totaling \$102,375 for the calendar year 2010. Part II, Line 4b: The following individuals participate in a non-qualified supplemental retirement plan. GBMC Healthcare has a non-qualified supplemental retirement plan. This plan was approved by the Compensation Committee of the GBMC Healthcare Board of Directors to supplement the executive's retirement income. The supplemental retirement plan was developed based on an independent consultant report on market-based practices for supplemental retirement plans. The percentage of final average pay, the requirements for vesting, participants, and pay-out provisions were established, reviewed, and approved by the compensation committee. The contributions to the supplemental non-qualified retirement plan are included in schedule J, Part II, column C or in schedule J, Part I, column B(III) as part of deferred compensation. The following individuals participated in this supplemental non-qualified retirement plan: John R. Chessare, M.D. - \$168,750 Earned, \$0 Paid; Mr. George E. Bayless - \$22,064 Earned, \$0 Paid; Mr. John W. Ellis - \$84,392 Earned, \$0 Paid; Mr. Michael A. Forthman - \$10,228 Earned, \$0 Paid; Mr. Eric L. Melchior - \$96,153 Earned, \$0 Paid; Mr. Keith Poisson - \$69,889 Earned, \$0 Paid; Ms. Joanne Porter - \$35,927 Earned, \$0 Paid; John Saunders, M.D. - \$10,926 Earned, \$0 Paid; Ms. Tressa B. Springmann - \$25,837 Earned, \$0 Paid; Mr. Mark R. Thomas - \$20,600 Earned, \$0 Paid; Rodney W. Williams, M.D. - \$58,333 Earned, \$393,767 Paid.
	Part I, Line 6	see line 6a above
Supplemental Information	Part III	Part I, Line 3: Greater Baltimore Medical Center, Inc., relied on its parent, GBMC Healthcare, Inc., to set compensation for Greater Baltimore Medical Center, Inc.'s president. GBMC Healthcare, Inc., used a compensation committee, an independent compensation consultant, a written employment contract, a compensation survey or study, and an approval by a board or compensation committee to establish the top management official's compensation.

Software ID:

Software Version:

EIN: 52-6049658

Name: Greater Baltimore Medical Center Inc

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Ronald F Tutrone Jr MD	(i)	210,000	0	0	0	0	210,000	0
	(ii)	0	0	0	0	0	0	0
John B Chessare MD	(i)	354,068	40,000	70,301	168,750	12,693	645,812	0
	(ii)	0	0	0	0	0	0	0
Mr Eric L Melchior	(i)	360,757	88,593	55,003	111,753	18,431	634,537	0
	(ii)	0	0	0	0	0	0	0
Mr Keith R Poisson	(i)	332,145	66,383	53,857	83,038	23,874	559,297	0
	(ii)	0	0	0	0	0	0	0
John R Saunders MD	(i)	349,335	36,585	28,064	23,140	10,563	447,687	0
	(ii)	0	0	0	0	0	0	0
Mr George E Bayless	(i)	204,629	35,413	17,016	32,322	22,837	312,217	0
	(ii)	0	0	0	0	0	0	0
Mr John Ellis	(i)	334,790	48,470	27,099	97,474	16,838	524,671	0
	(ii)	0	0	0	0	0	0	0
Mr Michael A Forthman	(i)	179,307	30,135	8,514	20,580	22,288	260,824	0
	(ii)	0	0	0	0	0	0	0
Mrs Joanne Porter	(i)	233,849	35,698	33,267	46,836	11,162	360,812	0
	(ii)	0	0	0	0	0	0	0
Mrs Tressa B Springmann	(i)	265,685	46,506	18,941	41,375	9,393	381,900	0
	(ii)	0	0	0	0	0	0	0
Mr Mark R Thomas	(i)	249,256	38,123	16,089	31,368	21,113	355,949	0
	(ii)	0	0	0	0	0	0	0
Rodney W Williams MD	(i)	265,290	404,236	287,238	61,457	14,338	1,032,559	393,767
	(ii)	0	0	0	0	0	0	0
Catherine Hamel	(i)	154,033	44,146	536	12,317	29,162	240,194	0
	(ii)	0	0	0	0	0	0	0
Reginald J Davis MD	(i)	1,346,954	262,359	516	34,050	15,312	1,659,191	0
	(ii)	0	0	0	0	0	0	0
Gary I Cohen MD	(i)	503,633	238,794	17,292	37,600	17,672	814,991	0
	(ii)	0	0	0	0	0	0	0
Bimal G Ramı MD	(i)	335,545	372,247	110	27,325	22,288	757,515	0
	(ii)	0	0	0	0	0	0	0
Neri N Cohen MD	(i)	591,547	100,800	260	26,815	23,073	742,495	0
	(ii)	0	0	0	0	0	0	0
Paul Celano MD	(i)	539,659	54,886	516	31,316	18,093	644,470	0
	(ii)	0	0	0	0	0	0	0
Mr Steve Twaddle left 909	(i)	0	0	105,369	0	10,000	115,369	0
	(ii)	0	0	0	0	0	0	0
Ms Catherine J Boyne left 210	(i)	33,374	26,023	180,584	20,298	2,144	262,423	42,966
	(ii)	0	0	0	0	0	0	0
Mr Laurence Merlis left 210	(i)	60,518	0	63,636	12,443	2,585	139,182	66,922
	(ii)	0	0	0	0	0	0	0

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization  
Greater Baltimore Medical Center Inc

Employer identification number  
52-6049658

Part I Bond Issues											
(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A MD Health & Higher Ed Fac Auth	52-0936091	574218BX0	04-20-2011	67,785,219	Building Renovation and Refund Series 2009		X		X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased	62,062,333							
3	Total proceeds of issue	67,945,000							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	723,328							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	4,999,558							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2012							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?		X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use									
		A		B		C		D	
		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 that may result in private business use of bond-financed property?	X							

Part IIIPrivate Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X							
b	Are there any research agreements that may result in private business use of bond-financed property?		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	1 740 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %							
6	Total of lines 4 and 5	1 740 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IVArbitrage

		A		B		C		D	
		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 entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
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?								
5	Were any gross proceeds invested beyond an available temporary period?								
6	Did the bond issue qualify for an exception to rebate?		X						

Part VSupplemental Information

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

Identifier	Return Reference	Explanation

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
Greater Baltimore Medical Center Inc

Employer identification number  
52-6049658

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(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.

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

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

**Part IV**

**Business Transactions Involving Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Bonnie Stein	Board Member	142,000	See Part V		No
(2) Howard Siegel	Former Board Member	518,653	See Part V		No
(3) Herbert Belgrad	Former Board Member	291,299	See Part V		No
(4) Harry Johnson	Chair Elect Member	67,641	See Part V		No
(5) John Wogan MD	Vice Chief of Staff	73,190	See Part V		No
(6) Ronald Tutrone Jr MD	Board Member	210,000	See Part V		No

**Part V**

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

Identifier	Return Reference	Explanation
Schedule L, Part IV, Column d		Ms Bonnie Stein is an EVP at PNC Bank, which is the trustee for many of GBMC's investments Mr Howard Siegel, is a partner in a PA that provides pathology services to GBMC Mr Herbert Belgrad is a partner in Tydings & Rosenberg LLP that provides legal services to GBMC Mr Harry Johnson is a partner in the law firm Whiting, Taylor & Preston LLP that provides legal services to GBMC Mr John Wogan is a partner in a PA that provides educational services to GBMC Dr Ronald Tutrone is an Independent Contractor who provides research services to GBMC

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No 1545-0047

**2010**

**Open to Public  
Inspection**

<b>Name of the organization</b> Greater Baltimore Medical Center Inc	<b>Employer identification number</b> 52-6049658
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Identifier	Return Reference	Explanation
Description of Organization Mission	Form 990, Part III, Line 1	Greater Baltimore Medical Center's primary exempt purpose is as follows (1) To organize, build, erect, equip, manage and operate exclusively for charitable purposes, a non-profit general hospital and medical center for the care of the sick, and to furnish medical and surgical attendance therein in any form in the care of sick, afflicted, infirm or injured persons, provided, however, the operations are not to be exclusively for those who are able and expected to pay but to the extent of financial ability are to be for those not able to pay for the services rendered, and the facilities are not to be restricted to a particular group of physicians and surgeons except to the extent that discretionary authority in the management may impose limitations based upon the qualifications of those applying or upon the size and nature of the facilities, and no part of its net earnings are to inure directly or indirectly to the benefit of any private shareholder or individual (2) To organize, build, erect, equip, manage and operate a school or schools for training physicians, surgeons, nurses and others, and to educate and train any such persons in the care of sick, afflicted, infirm, or injured persons by teaching medicine, hygiene, surgery and everything having to do with the physical well-being of individuals (3) To engage in any activity and to do anything and everything that may be necessary, expedient or incidental to the purposes stated in paragraphs (1) and (2) (4) To have and to exercise to the extent necessary or desirable for the accomplishment of any of the aforesaid purposes, and to the extent that they are not inconsistent with the charitable purposes of the corporation, and the limitations imposed by section 501(c)(3) of the Internal Revenue Code, any and all powers conferred upon corporations by the Maryland General Corporation law

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		The Board of Directors of GBMC Healthcare, Inc. is the governing body for the organization. GBMC Healthcare, Inc. is the parent corporation and sole stockholder of the organization. The business and affairs of the organization are managed under the direction of its Board of Directors except as reserved to the stockholder, GBMC Healthcare, Inc. in accordance with the bylaws such as: A) To change the mission, purpose, philosophy or objectives of the organization; B) To amend the bylaws of the organization; C) To dissolve, to consolidate or to merge the organization; D) To ratify the election of the president or other officers of the organization; E) To remove the president or other officers of the organization; F) To elect members of the Board of Directors of the organization; G) To remove members of the Board of Directors of the organization; H) To purchase, sell or encumber with debt; I) To sell all or substantially all of the organization's assets, or to undertake major expansion projects; J) To approve the annual operating and capital budgets of the organization; K) To appoint general counsel to and the fiscal auditor of the organization; L) To set the fiscal year of the organization; M) To issue additional stock, following the initial issuance of stock.



Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		See Form 990, Part VI Section A, Line 6 Description

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		See Form 990, Part VI Section A, Line 6 Description

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The Audit Committee of Greater Baltimore Medical Center, Inc 's supported parent organization, GBMC Healthcare, Inc reviews and approves this Form 990 A copy of the Form 990 is provided to the Board of Directors of GBMC Healthcare, Inc prior to filing

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	Annually, every board member, physician, advanced practitioner and manager (which includes key employees) must complete a comprehensive questionnaire that provides for the disclosure of potential conflicts. All disclosures are reviewed by the Compliance Officer. Those disclosures that are questionable or may rise to the level of a conflict are discussed with the Chief Legal Officer and appropriate action is taken, if necessary. A summary of disclosures is provided to the Audit Committee (for management) and to the Governance Committee (for Board members) annually.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	<p>The compensation of GBMC's president and key employees is determined by a subcommittee of its parent organization, GBMC Healthcare's, Board of Directors. The Compensation Committee of the Board of Directors is chartered with the responsibility to assure GBMC pays competitive salaries to the executives. The approach that is taken is based on current market "best practices" for non-profit organizations. The committee meets at least 6 times annually to review and discuss executive's salaries and benefits. The steps taken are as follows:</p> <ol style="list-style-type: none"> <li>1) An independent executive compensation consultant was selected based on an RFP process and face-to-face interviews were conducted.</li> <li>2) Once selected, the compensation consultant compiled, independently, salary survey data of similar size organizations from throughout the country.</li> <li>3) The survey data is presented to the compensation committee with the national survey data; various surveys are categorized by size of organization, academic and non-academic, system and community-based hospitals.</li> <li>4) The data is categorized by executive position, and a salary range is recommended by the compensation specialist.</li> <li>5) Base salary of an individual executive is based on survey results, years of experience and performance.</li> <li>6) A recommendation is made to the compensation committee by the CEO for salary rates for the vice presidents.</li> <li>7) The Compensation Committee either accepts or modifies the recommendation from the CEO for base salary adjustments.</li> <li>8) The Compensation Committee determines the salary adjustment for the CEO based on national salary survey data, years of experience and performance.</li> <li>9) The incentive bonus is determined based on actual results compared with the plan document and recommendation is made to the Compensation Committee for approval or modification.</li> <li>10) The amount of bonus is determined by the criteria stated in the incentive plan document and is also based on current market practices from national surveys.</li> <li>11) Survey of executive benefits is also reviewed by the compensation consultants to assure reasonableness.</li> <li>12) The compensation consultant provides a written document on the reasonableness of the salaries being paid.</li> <li>13) The Board of Directors reviews and approves the decisions of the Compensation Committee.</li> </ol>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	The governing documents are located on the State of Maryland Department of Taxation's website. Financial statements are made public through the State of Maryland Charitable Registration. Financial statements for GBMC Healthcare, Inc. are also available through the Electronic Municipal Market Access (EMMA) website via the continuing disclosure document. The Conflict of Interest policy is not available to the public.

Identifier	Return Reference	Explanation
	Form 990, Part VII, Section A	During the fiscal year, these individuals devoted the following estimated hours each week to a related organization The Honorable Vicki Ballou-Watts 1 Mrs Sandra Berman 1 Robert K Brookland, MD 1 John B Chessare, MD 31 Mr Charles C Fenwick, Jr 1 Mr Samuel Heffner 1 Mr Frederick M Hudson 1 Mr Harry S Johnson 1 Mr Thomas M Kane 1 Ms Patricia J Mitchell 1 Mr Frank R Plamer 1 Mrs Mary Stuart Rodgers 1 Mr Stephen T Scott 1 Mr Robert A Shelton 1 Mr Bernard Siegel 1 Mr Stuart O Simms 1 Ms Bonnie R Stein 1 Mr James B Stradtner 1 Mr Steven A Thomas 1 Ms Marion G Thompson 1 Harold Tucker, MD 1 Ronald F Trutone, Jr , MD 12 Mrs Mary B Wieler 1 John M Wogan, MD 1 Mr Eric L Melchior 31 Mr Keith R Poisson 34 Mr Rodney M Williams 35 Mr John W Ellis 20 Ms Joanne Porter 39 Ms Tressa B Springmann 39 Mr Mark R Thomas 35 Mr George E Bayless 33 Mr Michael A Forthman 35 Mr Steve Twaddle 39 Ms Catherine J Boyne 21

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized gains on investments 2,360,886 Prior period adjustments -5,794,497 Pediatric Surgery (783,141 less FY11 net Inc ) -20,387 Equity in Earnings 6,561,409 Transfer to Affiliates -10,999,970 Pension Expense 9,301,616 Total to Form 990, Part XI, Line 5 1,409,057



Identifier	Return Reference	Explanation
Other Adjustments to net assets or fund balances	Form 990, Part XI, Line 5	During 2011, GBMC determined that a prior year lease transaction accounted for as an operating lease met the criteria for capitalization. Accordingly, management recorded an unrestricted net asset adjustment of \$5,355,534.

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
Greater Baltimore Medical Center Inc

Employer identification number  
52-6049658

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Finney Trimble Surgical Associates LLC 6535 North Charles Street Suite 510 Towson, MD 21204 27-0277242	Surgical physician practice	MD	-253,590	475,329	N/A

Part II

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) GBMC Medical Arts LP  6701 North Charles Street Baltimore, MD21204 52-1412751	Real Estate Mgt	MD	GBMC Agency Inc	N/A				No			No	
(2) GBMC Medical Arts Pavilion West LP  6701 North Charles Street Baltimore, MD21204 52-1899034	Real Estate Mgt	MD	GBMC Agency Inc	N/A				No			No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) GBMC Agency Inc 6701 North Charles Street Baltimore, MD21204 52-1411931	Investments	MD	GBMC Investments Inc	C			
(2) GBMC Management Inc 6701 North Charles Street Baltimore, MD21204 52-1411974	Management Company	MD	GBMC Agency Inc	C			
(3) GBMC Finance Corporation 6701 North Charles Street Baltimore, MD21204 52-1863069	Financing Agent	MD	GBMC Agency Inc	C			
(4) GBMC Finance Corporation II 6701 North Charles Street Baltimore, MD21204 52-1836142	Financing Agent	MD	GBMC Agency Inc	C			
(5) GBMC Finance Corporation III 6701 North Charles Street Baltimore, MD21204 52-1836144	Financing Agent	MD	GBMC Agency Inc	C			
(6) Ruxton Insurance Company Ltd 3 Gorham Road Hamilton HM 08 Hamilton BD 98-0413102	Insurance Captive	BD	GBMC Healthcare Inc	C			
(7) GBMD Inc 6701 North Charles Street Baltimore, MD21204 52-1914558	Healthcare	MD	N/A	C			100 000 %

Part V

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

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

Yes

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

Yes

1k

Yes

1l

Yes

1m

Yes

1n

Yes

1o

No

1p

Yes

1q

Yes

1r

Yes

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

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

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.

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

Software ID:

Software Version:

EIN: 52-6049658

Name: Greater Baltimore Medical Center Inc

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
GBMC Foundation Inc  6701 North Charles Street Baltimore, MD21204 52-1411935	Fundraising	MD	501(c)(3)	Line 7 170(b)(1)(a)	GBMC Healthcare Inc		No
Gilchrist Hospice Care Inc  11311 McCormick Road No 350 Hunt Valley, MD21204 52-1851251	Hospice Service	MD	501(c)(3)	Line 3 170(b)(1)(a)	GBMC Healthcare Inc		No
GBMC Investments Inc  6701 North Charles Street Baltimore, MD21204 52-1040300	Investment Management	MD	501(c)(3)	Line 11, Type II 50	GBMC Healthcare Inc		No
Diversified Health Enterprises Inc  6701 North Charles Street Baltimore, MD21204 52-1725005	Health Services	MD	501(c)(3)	Line 11, Type II 50	GBMC Healthcare Inc		No
Diversified Nurses Inc  6701 North Charles Street Baltimore, MD21204 52-1305904	Nursing Services	MD	501(c)(3)	Line 9 509(a)(2)	GBMC Healthcare Inc		No
Diversified Health Services Inc  6701 North Charles Street Baltimore, MD21204 52-1331933	Health Services	MD	501(c)(3)	Line 9 509(a)(2)	GBMC Healthcare Inc		No
GBMC Land Inc  6701 North Charles Street Baltimore, MD21204 52-1413360	Real Estate Property	MD	501(c)(3)	Line 11, Type I 509	GBMC Healthcare Inc		No
GBMC Healthcare Inc  6701 North Charles Street Baltimore, MD21204 52-1413360	Real Estate Property	MD	501(c)(3)	Line 7 170(b)(1)(a)	N/A		No
Presbyterian Eye Ear and Throat Charity Hospital  2639 Queensland Drive Ellicott City, MD21093 52-0449990	Fundraising	MD	501(c)(3)	Line 11, Type III-FI	Greater Baltimore Medical Center Inc		No
Milton J Dance Jr Endowment Inc  409 Washington Avenue Baltimore, MD21204 52-1104173	Fundraising	MD	501(c)(3)	Line 11, Type III-FI	Greater Baltimore Medical Center Inc		No
Women's Hospital Foundation Inc  PO Box 166 Riderwood, MD21139 52-0591609	Fundraising	MD	501(c)(3)	Line 11, Type III-FI	Greater Baltimore Medical Center Inc		No

Form 990, Schedule R, 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
GBMC Agency Inc 6701 North Charles Street Baltimore, MD21204 52-1411931	Investments	MD	GBMC Investments Inc	C			
GBMC Management Inc 6701 North Charles Street Baltimore, MD21204 52-1411974	Management Company	MD	GBMC Agency Inc	C			
GBMC Finance Corporation 6701 North Charles Street Baltimore, MD21204 52-1863069	Financing Agent	MD	GBMC Agency Inc	C			
GBMC Finance Corporation II 6701 North Charles Street Baltimore, MD21204 52-1836142	Financing Agent	MD	GBMC Agency Inc	C			
GBMC Finance Corporation III 6701 North Charles Street Baltimore, MD21204 52-1836144	Financing Agent	MD	GBMC Agency Inc	C			
Ruxton Insurance Company Ltd 3 Gorham Road Hamilton HM 08 Hamilton BD 98-0413102	Insurance Captive	BD	GBMC Healthcare Inc	C			
GBMD Inc 6701 North Charles Street Baltimore, MD21204 52-1914558	Healthcare	MD	N/A	C			100.000 %





**GBMC HEALTHCARE, INC.  
AND SUBSIDIARIES**

Consolidated Financial Statements  
and Consolidating Information

June 30, 2011

(With Independent Auditors' Report Thereon)

**GBMC HEALTHCARE, INC.  
AND SUBSIDIARIES**

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KPMG LLP  
1 East Pratt Street  
Baltimore, MD 21202-1128

## Independent Auditors' Report

The Board of Directors  
GBMC HealthCare, Inc. :

We have audited the accompanying consolidated balance sheet of GBMC HealthCare, Inc. and subsidiaries (the Company) as of June 30, 2011, and the related consolidated statements of operations and changes in net assets, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 consolidated financial statements referred to above present fairly, in all material respects, the financial position of GBMC HealthCare, Inc. and subsidiaries as of June 30, 2011, and the results of their operations and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in note 10 to the accompanying consolidated financial statements of GBMC Healthcare, Inc. and subsidiaries, unrestricted net assets as of June 30, 2010 have been restated to correct a misstatement in the Company's previously issued financial statements, which were audited by other auditors.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information included in schedules 1 and 2 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, and results of operations of the individual companies. Accordingly, we do not express an opinion on the financial position or results of operations of the individual companies. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

October 5, 2011

**GBMC HEALTHCARE, INC.  
AND SUBSIDIARIES**

Consolidated Balance Sheet

June 30, 2011

**Assets**

Current assets:	
Cash and cash equivalents	\$ 48,352,126
Short-term investments and limited use funds	29,846,138
Patient accounts receivable, net of reserves of \$16,830,657	54,716,991
Other receivables	6,651,653
Inventories	3,754,209
Prepaid expense and other current assets	4,156,153
Current pledge receivables, net	<u>3,261,671</u>
Total current assets	<u>150,738,941</u>
Noncurrent assets:	
Investments and limited use funds	212,085,117
Equity investments and advances to investees	853,147
Property, plant and equipment, net	265,176,529
Pledge receivables, net	1,433,167
Other assets	<u>2,454,126</u>
Total noncurrent assets	<u>482,002,086</u>
Total assets	<u>\$ 632,741,027</u>

**Liabilities and Net Assets**

Current liabilities	
Accounts payable and accrued expenses	\$ 55,324,586
Insurance reserves – current	11,112,738
Accrued interest payable	1,664,206
Advances from third-party payors	14,030,556
Current portion of long-term debt and capital leases and financing obligations	1,742,485
Other current liabilities	<u>5,199,447</u>
Total current liabilities	89,074,018
Noncurrent liabilities	
Long-term debt	113,809,751
Capital leases and financing obligations	30,936,850
Insurance reserves	19,775,051
Pension liability	22,323,167
Other long-term liabilities	<u>2,560,828</u>
Total liabilities	<u>278,479,665</u>
Net assets	
Unrestricted-controlling interest	308,739,030
Unrestricted-noncontrolling interest	<u>478,754</u>
Total unrestricted	309,217,784
Temporarily restricted	27,071,903
Permanently restricted	<u>17,971,675</u>
Total net assets	<u>354,261,362</u>
Total liabilities and net assets	<u>\$ 632,741,027</u>

See accompanying notes to consolidated financial statements.

**GBMC HEALTHCARE, INC  
AND SUBSIDIARIES**

Consolidated Statement of Operations and Changes in Net Assets

Year ended June 30, 2011

Change in unrestricted net assets	
Operating revenues	
Net patient service revenue	\$ 428,082,272
Other healthcare revenue	39,558,627
Net healthcare revenues	467,640,899
Rental income	5,662,448
Other operating income	9,549,115
Net assets released from restrictions	4,797,512
Total operating revenues	487,649,974
Operating expenses	
Salaries, wages and employee benefits	271,738,550
Expendable supplies	89,803,453
Purchased services	71,837,381
Depreciation and amortization	27,146,422
Interest	6,426,221
Provision for uncollectible accounts	10,909,896
Total operating expenses	477,861,923
Other operating income (expense)	
Equity loss of investee	(188,343)
Total operating income	9,599,708
Other income (expense)	
Contributions	3,047,421
Fundraising expense	(2,174,508)
Investment income, net	1,827,489
Net unrealized gain on investments	14,568,022
Net gain on sale of investments	8,182,257
Gain on sale of asset	130,111
Gain on interest rate swaps	80,640
Loss on extinguishment of debt	(637,101)
Excess of revenues over expenses	34,624,039
Other changes in unrestricted net assets	
Pension related changes other than net periodic pension costs	9,301,615
Distributions to noncontrolling interest owners	(450,000)
Net assets released for purchase of fixed assets	1,525,045
Capital grant	402,742
Increase in unrestricted net assets	45,403,441
Changes in temporarily restricted net assets	
Contributions	5,515,071
Investment income, net	431,046
Gain on sale of investments	1,494,588
Unrealized gain on investments	1,749,462
Net assets released for purchase of fixed assets	(1,525,045)
Net assets released for operations	(4,797,512)
Increase in temporarily restricted net assets	2,867,610
Changes in permanently restricted net assets	
Contributions	1,361,405
Investment gains	12,097
Increase in permanently restricted net assets	1,373,502
Increase in net assets	49,644,553
Net assets, beginning of year	304,616,809
Net assets, end of year	\$ 354,261,362

See accompanying notes to consolidated financial statements

**GBMC HEALTHCARE, INC.  
AND SUBSIDIARIES**

Consolidated Statement of Cash Flows

Year ended June 30, 2011

Cash flows from operating activities	
Change in net assets	\$ 49,644,553
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	27,146,422
Loss on extinguishment of debt	637,101
Provision for uncollectible accounts	10,909,896
Equity in earnings of investee companies	188,343
Net gain on sale of assets	(130,111)
Realized and unrealized gain on investments and swap	(26,074,969)
Restricted investment income	(443,143)
Pension related changes other than net periodic pension costs	(9,301,615)
Restricted contributions	(6,876,476)
Capital grant	(402,742)
Changes in assets and liabilities:	
Increase in patient accounts receivable	(10,226,181)
Decrease in other receivables	1,880,948
Increase in inventories	(71,715)
Decrease in prepaid expenses and other assets	64,831
Increase in accounts payable and accrued expenses	2,722,885
Decrease in current and noncurrent other liabilities	(584,179)
Increase in advance from third parties	2,364,451
Increase in pension liability	602,514
Net cash provided by operating activities	<u>42,050,813</u>
Cash flows from investing activities	
Increase in investments, and limited use funds	(5,395,107)
Additions to property and equipment	(24,044,093)
Distribution to noncontrolling interest	(450,000)
Swap termination payment	(2,720,000)
Net cash used in investing activities	<u>(32,609,200)</u>
Cash flows from financing activities:	
Payment on long-term debt and capital leases and financing obligations	(5,425,220)
Payment for financing costs	(697,301)
Defeasance of bonds	(61,855,235)
Proceeds from bond issuance	67,945,000
Proceeds from restricted contributions	5,519,899
Net cash provided by financing activities	<u>5,487,143</u>
Increase in cash and cash equivalents	14,928,756
Cash and cash equivalents, beginning of year	<u>33,423,370</u>
Cash and cash equivalents, end of year	<u>\$ 48,352,126</u>
Cash paid during the year for interest	\$ 5,434,235
Capital lease additions	1,456,814
Capital additions accrued but not paid	994,973
Limited use funds used to defease bonds	7,477,667

See accompanying notes to consolidated financial statements.

**GBMC HEALTHCARE, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2011

**(1) Organization and Consolidation**

GBMC HealthCare, Inc. (the Company), is a holding company for nonprofit companies which include. Greater Baltimore Medical Center, Inc. (Medical Center), GBMC Foundation, Inc., Gilchrist Hospice Care, Inc., GBMC Land, Inc., GBMC Investments, Inc., and a for-profit company, Ruxton Insurance Company, Ltd.

The Medical Center is a not-for-profit hospital and a wholly owned subsidiary of the Company, which provides in-patient, outpatient and emergency care services primarily for residents of the Baltimore metropolitan area. In addition, the Medical Center has ownership of Finney Trimble, Surgical Associates, LLC, and GBMC/Hopkins Pediatric Surgery, LLC, healthcare providers. The Medical Center was formed by agreement dated September 1, 1965, by the Hospital for Women of Maryland of Baltimore City (Women's Hospital) and Presbyterian Eye, Ear and Throat Charity Hospital (Presbyterian Hospital)

GBMC Foundation, Inc. (Foundation) is a not-for-profit organization and wholly owned subsidiary of the Company, which coordinates fundraising efforts to benefit the Company and its subsidiaries.

Gilchrist Hospice Care, Inc. (Gilchrist) is a not-for-profit organization and wholly owned subsidiary of the Company, which provides inpatient and home hospice care in the greater Baltimore area.

GBMC Land, Inc. (Land) is a not-for-profit organization and wholly owned subsidiary of the Company, which operates Physicians Pavilion North, a medical building on the campus of the Medical Center.

Ruxton Insurance Company, Ltd. (Ruxton) is a wholly owned insurance captive of the Company domiciled in Bermuda. Ruxton assumes the risks for the Company's malpractice and general liability claims.

GBMC Investments, Inc., is a not-for-profit wholly owned subsidiary of the Company, which holds investments of the Company and is the parent of the following for-profit subsidiaries.

GBMC Agency, Inc. (Agency) has ownership of GBMC Physicians, LLC, a healthcare provider. In addition, GBMC Agency owns and operates the Physicians Pavilion at Owings Mills, and owns a general and limited partnership interest in GBMC Pavilion West Medical Arts Limited Partnership (PPW). PPW is a Maryland limited partnership formed to construct, own, and operate the five upper floors and an interest in certain common areas of Physicians Pavilion West.

GBMC Management, Inc. (PPE) owns and operates Physicians Pavilion East, a medical office building on the campus of the Medical Center.

The Company's consolidated financial statements include the subsidiaries which the Company has 50% or more ownership.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Significant intercompany accounts and transactions have been eliminated in consolidation.

**GBMC HEALTHCARE, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2011

**(b) *Cash and Cash Equivalents***

Cash and cash equivalents, carried at cost which approximates fair value, include amounts invested in accounts which are readily convertible to known amounts of cash with original maturities of three months or less. Cash balances may exceed amounts insured by federal agencies and therefore bear a risk of loss. The Company has not experienced such losses on these funds.

**(c) *Limited Use Funds Held***

Limited use funds primarily include assets held by trustees under agreement. Such funds include assets set aside for bond repayment malpractice costs, plant replacement and amounts restricted by donors. Independent third parties designate the assets held by trustees under agreement. The limited use funds are classified as current or noncurrent based upon the timing and nature of their intended use.

**(d) *Inventories***

Inventories, consisting of medical supplies and drugs, are stated at the lower of cost or market, with cost being determined primarily under the first-in, first-out method.

**(e) *Investments and Investment Income***

Investments include amounts designated by management for specific purposes, insurance reserves, plant replacement and other purposes. The Company's investment portfolio is considered a trading portfolio and is classified as current or noncurrent assets based on management's intention as to use. Limited use funds that are required for obligations classified as current liabilities are reported as current assets. Investments in marketable securities are measured at fair market value on the consolidated balance sheet. The fair value of the investments is based on quoted market prices or dealer quotations. See note 4 for discussion of the measurement of fair value for investments.

The Company accounts for its equity investments using the equity method, and income/loss is included in income (loss) in earnings of investee under other operating income (expense) in the consolidated statement of operations and changes in net assets.

Investment income or loss (including realized gains and losses on investments, interest and dividends) on proceeds of borrowings that are held by a trustee, to the extent not capitalized, and investment income on assets deposited in the insurance captive investment is reported as other operating income. Investment income or loss (including unrealized and realized gains and losses on investments, interest and dividends) from all other unrestricted fund investments is included in excess of revenues over expenses unless restricted by donor or law. Investment income on investments of temporarily restricted net assets is recorded as an increase in temporarily restricted net assets to the extent restricted by the donor or law.

Investment income is recorded on the accrual basis. Purchases and sales of investments are reflected on a trade-date basis. Realized gains and losses on sales of investments are based on historical cost.



**GBMC HEALTHCARE, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2011

**(f) *Interest Rate Swaps***

The value of the interest rate swap agreement entered into by the Company was accounted for by marking to fair value at the close of business. The fair value was adjusted for accrued interest associated with the swap agreement. The fair value of the swap has been recorded at its gross value as assets and liabilities in the Company's consolidated balance sheet, and the changes in the fair value of the swap was recorded in the Company's consolidated statements of operations and changes in net assets as part of excess of revenues over expenses. The interest rate swap was terminated on February 9, 2011, the termination fees totaled \$2,720,000.

**(g) *Property, Plant and Equipment***

Property, plant and equipment are recorded at cost or, if donated, at fair market value at date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years. The cost and accumulated depreciation relating to property, plant and equipment sold or retired are removed from the respective accounts at the time of disposition and the resulting gain or loss is reflected in the consolidated statement of operations and changes in net assets as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

**(h) *Donor-Restricted Gifts***

Unconditional promises to give cash and other assets to the Company are reported at their fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations and changes in net assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

**(i) *Other Assets***

Other assets include deferred financing costs related to long-term borrowings which are amortized on a straight-line basis, which approximates the effective interest rate method, over the life of the borrowings. Also included in other assets are deferred leasing costs and prepaid land lease payments.

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for Gilchrist which are amortized over the lease terms and expensed on a straight-line basis over the life of the related leases

The Medical Center has incurred deferred financing costs related to the issuance of Maryland Health and Higher Educational Facilities Authority (MHHEFA) Series 2011, Series 2001, Series 1995 and Series 1993 Revenue Bonds that have been capitalized. All of the deferred financing costs are being amortized over the anticipated life of the transactions on a straight-line basis, which approximates the effective interest rate method, which range from 3 to 32.5 years. Amortization expense for the year ended June 30, 2011 was \$372,769. Accumulated amortization at June 30, 2011 amounted to \$165,409.

**(j) *Compensated Absences***

The Company records a liability for amounts due to employees for future absences, which are attributable to services performed in the current and prior periods.

**(k) *Temporarily and Permanently Restricted Net Assets***

Temporarily restricted net assets are those whose use by the Company has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Company in perpetuity.

**(l) *Estimated Malpractice Costs***

The provision for estimated malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported and are recorded in Insurance reserves within the consolidated balance sheet.

**(m) *Net Patient Service Revenue***

Net patient service revenue is reported at the estimated net realizable amounts from patients and third-party payors for services rendered. Rates for the Medical Center's charges related to patient services are set and approved in accordance with the established regulations and rate methodologies of Maryland's rate-setting authority – the Health Services Cost Review Commission (HSCRC) – an independent agency created by the State of Maryland through legislative actions. All payors are required to pay the Medical Center's rates as approved by the HSCRC. The HSCRC allows a contractual allowance discount of up to 6.00% on charges to Medicare and Medicaid patients. Other third party payors may receive a prompt payment discount of up to 2.25% through an advanced funding agreement with the Medical Center.

The Medical Center's HSCRC approved rates are adjusted annually to account for compliance with approved rates, annual inflation and changes in cost and volume. The Medical Center has a charge per case (CPC) agreement with the HSCRC. The CPC agreement establishes a prospectively approved average charge per inpatient case based upon an estimated case mix index. The agreement allows the Medical Center to adjust approved unit rates, within certain limits, to achieve the average CPC target. The HSCRC allows for certain corridors related to the approved rates such that variances within those corridors do not adversely impact the Medical Center. In 2011, the HSCRC

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implemented a charge per visit (CPV) methodology for hospital based outpatient services, which is similar in nature to the CPC inpatient methodology discussed above. The CPV methodology establishes prospectively approved average charges per outpatient visit for a significant portion of outpatient services provided. The remaining outpatient services are charged using the established HSCRC unit rates. The Medical Center's policy is to defer revenue above the approved amounts and beyond the approved corridors. No amounts were deferred as of June 30, 2011.

Gilchrist Hospice Care's net revenue is reported at the estimated net realizable amounts from third-party payors who pay on a per-diem basis.

Physician charges are not regulated by the HSCRC, and are primarily reimbursed by third party payors. The overall average of adjustments for physician charges during fiscal year 2011 was approximately 52%. Adjustment to patient service revenue for contractual allowances, discounts and financial assistance were \$100,623,740 for the year ended June 30, 2011.

**(n) Excess of Revenue over Expenses**

The consolidated statement of operations and changes in net assets include a performance indicator, excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice include pension changes other than net periodic pension costs, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose acquiring such assets).

**(o) Financial Assistance and Community Benefits**

As part of the Company's mission, it provides medical care without discrimination of any kind, including the ability of a patient to pay for services. Under the Company's Financial Assistance Policy, patients who meet certain financial-based criteria can qualify for free care on all or a portion of the total patient bill. The Company recorded \$5,202,464 of financial assistance in fiscal year 2011.

In addition to its Financial Assistance Policy, the Company has a long-standing commitment of supporting the community through the provision of outreach services designed to address identified health and social issues. Specifically, the Company provides a variety of screening and early detection tests, wellness activities, social support services and educational seminars. A majority of these services are provided at either nominal or no cost to community members.

**(p) Rental Income**

Base rental income is recognized as revenue on a straight-line basis over the life of the lease. Expense reimbursements are recognized when the related expense is incurred.

**(q) Income Taxes**

Income taxes are provided for earnings (loss) of those subsidiaries which are subject to federal and state income tax based on the Company's share of the subsidiaries' taxable income, whether or not distributed. The Company's share of these subsidiaries' net losses is deductible to the extent of the Company's tax basis in the subsidiaries.

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The Financial Accounting Standards Board's (FASB) guidance on accounting for uncertainty in income taxes clarifies the accounting for uncertainty of income tax positions. This guidance defines the threshold for recognizing tax return positions in the consolidated financial statements as "more likely than not" that the position is sustainable, based on its technical merits. This guidance also provides guidance on the measurement, classification and disclosure of tax return positions in the consolidated financial statements. The Company has adopted this guidance, and there were no amounts recorded in the consolidated financial statements during the year ended June 30, 2011 for uncertain tax positions.

**(r) Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(s) New Accounting Pronouncements**

In July 2011, the FASB issued Accounting Standards Update (ASU) 2011-07, *Health Care Entities (Topic 954), Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities (ASU 2011-07)*, which requires a health care entity to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, enhanced disclosures about an entity's policies for recognizing revenue, assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts are required. The adoption of ASU 2011-07 is effective beginning July 1, 2012.

In August 2010, the FASB issued ASU No. 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries (ASU 2010-24)*, which clarified that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. The adoption of ASU 2010-24 is effective beginning July 1, 2011 and is not expected to have an impact on the Company's consolidated financial statements.

In August 2010, the FASB issued ASU No. 2010-23, *Health Care Entities (Topic 954), Measuring Charity Care for Disclosure*, ASU 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care: ASU 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect cost of providing the charity care, and requires disclosure of the method used to identify or determine such costs. The adoption of ASU 2010-23 is effective for the Company beginning July 1, 2011.

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**(3) Concentrations of Credit Risk**

The Company grants credit without collateral to its patients, most of whom are local residents and are insured under third party payor agreements. The mix of receivables from patients and third parties as of June 30, 2011 was as follows.

Medicare	28%
Medicaid	5
Blue Cross	19
Other third party payors	39
Self pay	9
	<u>100%</u>

A summary of net patient service revenue by major category of payor for the year ended June 30, 2011 is as follows

Medicare	38%
Medicaid	3
Blue Cross	20
Other third party payors	37
Self-pay	2
	<u>100%</u>

The Company provides general acute healthcare services in the State of Maryland. The Company and other healthcare providers are subject to certain inherent risks, including the following:

- Dependence on revenues derived from reimbursement by the federal Medicare and state Medicaid programs;
- Regulation of hospital rates by the State of Maryland Health Services Cost Review Commission;
- Government regulation, government budgetary constraints and proposed legislative and regulatory changes, and;
- Lawsuits alleging malpractice or other claims.

Such inherent risks require the use of certain management estimates in the preparation of the Company's consolidated financial statements and it is reasonably possible that a change in such estimates may occur.

The Medicare and state Medicaid reimbursement programs represent a substantial portion of the Company's revenues and the Company's operations are subject to a variety of other federal, state and local regulatory requirements. Failure to maintain required regulatory approvals and licenses and/or changes in such regulatory requirements could have a significant adverse effect on the Company.

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Changes in federal and state reimbursement funding mechanisms and related government budgetary constraints could have a significant adverse effect on the Company.

The federal government and many states have aggressively increased enforcement under Medicare and Medicaid anti-fraud and abuse laws and physician self referral laws (STARK law and regulation). Recent federal initiatives have prompted a national review of federally funded healthcare programs. In addition, the federal government and many states have implemented programs to audit and recover potential overpayments to providers from the Medicare and Medicaid programs. In September 2009, the Company was notified that the recovery audit contractors (RAC) would begin auditing company operations in 2011 and the Company received its first request for records in the fourth quarter of fiscal year 2011. The Company has implemented a response program as well as a compliance program to monitor conformance with applicable laws and regulations, but the possibility of future government review and enforcement action exists.

As a result of recently enacted and pending federal healthcare reform legislation, substantial changes are anticipated in the United States healthcare system. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement to healthcare providers and the legal obligations of health insurers, providers and employers. These provisions are currently slated to take effect at specified times over the next decade. This federal healthcare reform legislation did not affect the 2011 consolidated financial statements.

**(4) Investments and Limited Use Funds**

Investments and limited use funds as of June 30, 2011 consisted of the following:

Investments:

Commercial paper, certificates of deposit and cash	\$ 43,671,442
U.S. obligations	11,761,195
Corporate bonds	81,505,914
Equities	89,083,695
Mutual funds	7,696,206
International funds	8,212,803

Total	241,931,255
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Less current portion	29,846,138
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Total noncurrent investments and limited use funds	<u>\$ 212,085,117</u>
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The limited use funds are comprised of the following at June 30, 2011:

Limited use funds for debt service	\$ 8,964,801
Insurance settlements	41,041,909
Donor restricted	41,362,334
Total	<u>\$ 91,369,044</u>

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Investment income and gains for cash and cash equivalents and investments and limited use funds are comprised of the following for the year ending June 30, 2011.

Income:	
Investment income	\$ 2,270,632
Realized gains on sales of investments	9,676,845
Unrealized gains on investments	16,317,484
	<u>\$ 28,264,961</u>

Current guidance for fair value measurements establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value under current guidance must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Company for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Assets	Quoted prices in active markets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Total fair value
Investments				
Managed cash funds	\$ 41,070,324	2,601,118	—	43,671,442
Corporate debt securities	—	53,492,574	—	53,492,574
Bonds – treasury	5,977,079	—	—	5,977,079
Bonds – federal agency backed	—	5,784,116	—	5,784,116
Bonds – mortgage-backed	—	13,129,615	—	13,129,615
Mutual funds – fixed income	—	14,721,783	—	14,721,783
Municipal bonds	-	161,942	—	161,942
Total fixed income	5,977,079	87,290,030	—	93,267,109
Common stock	76,934,042	—	—	76,934,042
Foreign stock	12,149,653	—	—	12,149,653
Mutual funds	7,696,206	—	—	7,696,206
Mutual funds international	8,212,803	—	—	8,212,803
Total equity	104,992,704	—	—	104,992,704
Total investments and limited use funds	152,040,107	89,891,148	—	241,931,255
Less current portion	25,354,860	4,491,278	—	29,846,138
Total noncurrent investments and limited use funds	\$ 126,685,247	85,399,870	—	212,085,117

The Company values Level 1 marketable securities using the closing market prices as of the valuation date. Fair values determined by Level 1 inputs utilize quoted trades at least weekly in an active market. The Company values Level 2 investments using the current prices published. Fair values determined by Level 2 inputs utilize data points that are observable, such as quoted prices, interest rates and yield curves. There were no significant transfers between levels during the year ended June 30, 2011.

**(5) Equity Investments**

Agency, Inc. holds a 25% equity interest in MIB Partnership (MIB). MIB operates a freestanding magnetic resonance imaging center on the campus of the Medical Center.



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**(6) Property, Plant and Equipment**

The following is a summary of the cost of property, plant and equipment as of June 30, 2011:

Land and land improvements	\$ 22,437,430
Buildings and building service equipment	319,712,537
Movable equipment	193,412,633
Capital leases	39,413,685
Construction in progress	1,871,207
	<u>576,847,492</u>
Less accumulated depreciation and amortization	<u>(311,670,963)</u>
Total property, plant and equipment, net	<u>\$ 265,176,529</u>
Depreciation expense	\$ 26,628,304
Amortization expense	518,118
Total depreciation and amortization expense	<u>\$ 27,146,422</u>

**(7) Long-Term Debt**

Long-term debt as of June 30, 2011 consisted of the following.

MHHEFA project and refunding revenue bonds:	
Series 2011 Bonds:	
2.50% – 5.75% term bonds	\$ 67,945,000
Series 2001 Bonds:	
5.00% term bonds	40,265,000
Series 1995 Bonds	
Variable rate serial bonds	6,745,000
Unamortized bond discount	<u>(815,249)</u>
	114,139,751
Less current portion of long-term debt	<u>(330,000)</u>
	<u>\$ 113,809,751</u>

On April 20, 2011, MHHEFA issued \$67,945,000 of tax exempt Revenue Bonds, Series 2011 on behalf of the Medical Center. Bond proceeds were loaned to the Medical Center pursuant to the Master Trust Indenture. The Series 2011 bonds bear interest at 2.50% – 5.75%. The bond proceeds and limited use funds were used to finance construction and renovation to the hospital and to refund, a) the Series 2009 Revenue Bonds (\$45,000,000), b) a portion of Series 2001 Revenue Bonds (\$12,565,000), and c) the Series 1993 Revenue Bonds (\$11,975,000). The Series 2011 bonds are due on July 1 in annual installments ranging from \$2,180,000 in 2012 to \$11,095,000 in 2034.

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On November 1, 2001, MHHEFA issued \$52,830,000 of tax exempt Revenue Bonds, Series 2001 on behalf of the Medical Center. Bond proceeds were loaned to the Medical Center pursuant to the Master Trust Indenture. A portion of the proceeds was used to refund the 6% Series 1991 bonds that mature on July 1, 2021. The bonds are collateralized by a first lien on all gross receipts of the Medical Center. The Series 2001 5% term bonds are due July 1, 2025 and 2034 in the amount of \$8,180,000 and \$32,085,000, respectively. On July 1, 2011, with proceeds from the Series 2011 Revenue Bonds, the Medical Center refunded \$12,565,000 of the Series 2001 bonds.

On October 4, 1995, MHHEFA issued \$10,000,000 of tax exempt Revenue Bonds, Series 1995 on behalf of the Medical Center. The Series 1995 bonds are due on July 1 in annual installments ranging from \$330,000 in 2011 to \$590,000 in 2025. The bonds bear interest at a variable rate, which is determined on a weekly basis by the remarketing agent of the issue. The rate as of June 30, 2011 was 0.15%. The bonds are collateralized by a first lien on all gross receipts of the Medical Center. The Series 1995 Bonds are supported by a Standby Bond Purchase Agreement issued by M&T Bank, covering the remaining portion of the obligation, effective through October 1, 2013.

The unexpended bond proceeds and approximately one year's debt service of the Series 2001 and 1993 Serial Bonds were deposited with a trustee and are classified as limited use funds. The net interest impact was interest income of \$121,040 for 2011 was included in other operating revenue in the consolidated statement of operations and changes in net assets.

The aggregate future maturities of long-term debt as of June 30, 2011 are as follows:

	<b>Long-term debt</b>
2012	\$ 330,000
2013	2,525,000
2014	2,655,000
2015	2,750,000
2016	3,295,000
Thereafter	103,400,000
	114,955,000
Less unamortized bond discount	(815,249)
	<u>\$ 114,139,751</u>

The fair value of the Medical Center's long-term debt, which is estimated, based on quotes from underwriters, was approximately \$112,096,638 as of June 30, 2011. Additionally, the Medical Center complied with all covenants as of June 30, 2011.

Under the Master Trust Indenture, the Company is required to maintain, among other covenants, a maximum annual debt service coverage ratio of not less than 1.1 to 1.0.

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In 2010, the Medical Center renewed a \$10,000,000 line of credit, which expires on November 30, 2011 bearing interest at the LIBOR Daily Floating Rate. No amounts were drawn on this line during fiscal year 2011

**(8) Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes as of June 30, 2011:

Education	\$ 2,446,381
Departmental needs	15,249,059
Uncompensated care	4,361,996
Purchase of equipment/construction	<u>5,014,467</u>
	<u>\$ 27,071,903</u>

Permanently restricted net assets at June 30, 2011 are restricted to investment in perpetuity, the income from which is expendable to support:

Endowment, income from which is restricted to offset expenses supporting Genetics Center, Urology Research, Nursing Education and specific departmental needs	\$ 7,586,035
Uncompensated care	<u>10,385,640</u>
	<u>\$ 17,971,675</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

Education	\$ 677,334
Departmental needs	3,192,279
Uncompensated care	<u>927,899</u>
Net asset released for operations	<u>\$ 4,797,512</u>
Purchase of equipment/construction	\$ 1,525,045

The Company's endowment fund consists of a \$10 million endowment for Gilchrist as well, as other donations from individual donors. The Company has no internal board designated endowment funds recorded in unrestricted net assets. The net assets associated with the endowment are classified and reported based on the existence or absence of donor imposed restrictions

The Company has interpreted the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds

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absent explicit donor stipulations to the contrary. As a result of this interpretation the Company classifies as permanently restricted net assets the original value of the gifts donated to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Company in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance, with UPMIFA, the Company considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund,
- The purposes of the Company and the donor restricted endowment fund.
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- Other resources of the organization, and
- The investment policies of the organization

The Company had the following activities to its endowment fund during the year ended June 30, 2011 delineated by net asset class

	<u>Unrestricted</u>	<u>Temporary restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2010	\$ —	3,927,159	16,598,173	20,525,332
Investment return				
Investment income, net	—	255,187	2,159	257,346
Net appreciation (realized and unrealized)	—	1,229,718	9,938	1,239,656
Total investment return	—	1,484,905	12,097	1,497,002
Contributions	—	—	1,361,405	1,361,405
Appropriation of endowment assets for expenditure	—	(600,000)	—	(600,000)
Endowment net assets, June 30, 2011	\$ —	4,812,064	17,971,675	22,783,739

**(a) Endowment Funds with Deficits**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist, they are classified as a reduction of unrestricted net assets. There were no such deficits as of June 30, 2011.

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**(b) Return Objectives and Risk Parameters**

The Company has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Under this policy, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the endowment's target allocation applied to the appropriate individual benchmarks. The Company expects its endowment funds over time, to provide an average rate of return of approximately 7.5% annually. Actual returns in any given year may vary from this amount.

**(c) Strategies Employed for Achieving Investment Objectives**

To achieve its long-term rate of return objectives, the Company relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Company targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

**(d) Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives**

The Board of Directors of the Company approves the method to be used to appropriate endowment funds for expenditure. The Company amended its endowment spending allocation policy to conform to UPMIFA which was passed by Maryland on April 14, 2009 and limits annual endowment spending to 7% of the annual market value per year.

**(9) Functional Expenses**

The Company provides general healthcare services to residents within its geographic location. Expenses related to providing these services for the year ended June 30, 2011 were as follows:

Health care services	\$ 409,313,620
General and administrative	<u>68,548,303</u>
Total operating expenses	<u>\$ 477,861,923</u>

**(10) Leases**

***Capital Leases***

During 2011, management determined that a prior year lease transaction accounted for as an operating lease met the criteria for capitalization. Accordingly, management recorded the value of the related property of \$24,549,358, the related financing of \$29,904,893 and an unrestricted net asset adjustment of \$5,355,534 as an adjustment to amounts reported as of June 30, 2010. The 2011 financial statements reflect this adjustment to the amount previously reported as beginning net assets.

The Company is obligated under a long term lease expiring in 2030 for the use of a medical office building. Payments increase at varying rates from \$2,257,368 to \$3,004,560 per year over the remaining life. Interest rates approximated 5.76% as of June 30, 2011.

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The Company leases medical equipment with annual payments ranging from \$54,000 to \$1,113,000 and the last lease expires in fiscal year 2016

Scheduled principal repayments on capital lease and financing obligations are as follows:

Year ending December 31,	
2012	\$ 3,210,561
2013	3,158,227
2014	3,140,901
2015	2,731,941
2016	2,537,289
Thereafter	37,991,550
	<hr/>
	52,770,469
Less amount representing interest	20,421,134
	<hr/>
	\$ 32,349,335
	<hr/>

***Operating Leases***

The Company leases office space in the Owings Mills Physicians Pavilion and its Physicians Pavilions East, West and North as lessor under leases ranging from two to ten years. Options to renew these leases range from one to ten years. The leases include provisions for pass-through of operating expenses and real estate taxes

Minimum future rental income exclusive of pass-throughs for all pavilions for the years subsequent to June 30, 2011 is as follows:

2012	\$ 5,696,471
2013	4,005,385
2014	4,077,658
2015	2,286,547
2016	1,824,112
Thereafter	1,574,444

Most of the Company's leases contain renewal options. Renewal options are not included in the minimum future rental income unless exercised. Rental income, including pass-throughs, associated with these leases amounted to approximately \$5,662,448 for the year ended June 30, 2011.

**(11) Pension Plans**

Effective July 1, 2007, the Company established a 401(a) Defined Contribution Plan (the Plan) covering all employees except those covered by the collective bargaining agreement, or employees in a zero hour or registry position. The Company contributes up to 6% of all eligible employee wages (basic contribution) to the Plan and the Company matches up to 3% of employee wages of those who contribute to the Greater

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Baltimore Medical Center, Inc. Voluntary 403(b) Plan. At the discretion of the Board of Directors the Company may contribute additional funds to the Plan. The Company plans to make a basic contribution of \$4,124,607 in fiscal year 2012 and has made a \$2,513,929 contribution for the match for fiscal year 2011.

Effective July 1, 2009 the Company established a 401(a) Defined Contribution Plan (Plan I) for the members covered by a collective bargaining agreement. The Company matches up to 3% of eligible employee wages of those who contribute to the Greater Baltimore Medical Center, Inc. Voluntary 403(b) Plan. The Company contributed \$78,540 for fiscal year 2011.

In addition, the Company has two noncontributory defined benefit pension plans, NonUnion (Plan II) and Union (Plan III), covering all full-time employees with at least one year of service. Benefits under the plans are determined based on increasing percentages (depending on years of service) of final average compensation. Annual contributions are made to these plans in accordance with Employment Retirement Income Security Act (ERISA) regulations.

Effective June 30, 2007, Plan II was frozen. As a result, no future benefits may be earned; however, employees are eligible to vest under the terms of the Plan.

Effective July 1, 2008, Plan II was amended to change the interest rate credit for the matched contribution from 7.5% to the six-month treasury rate.

Effective June 30, 2009, Plan III was amended to freeze the matching contribution. The matching contribution was made for the Union in the 401(a) Defined Contribution plan (Plan I).

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The following tables set forth the plans' funded status and amounts recognized in the Company's consolidated financial statements as of June 30. The change in benefit obligation, plan assets, and funded status of the pension plans are shown below:

Change in benefit obligation	
Benefit obligation at beginning of year	\$ 137,169,408
Service cost	689,462
Interest cost	8,361,640
Actuarial loss	4,701,003
Benefits paid	<u>(4,687,546)</u>
Benefit obligation at end of year	<u>\$ 146,233,967</u>
Change in plan assets:	
Fair value of plan assets at beginning of year	\$ 106,147,140
Actual return on plan assets	18,363,838
Employer contribution	4,087,368
Benefits paid	<u>(4,687,546)</u>
Fair value of plan assets at end of year	<u>\$ 123,910,800</u>
Funded status:	
Funded status at end of year	\$ (22,323,167)
Amounts recognized in the balance sheets:	
Non current liabilities	\$ (22,323,167)
Amounts recognized in unrestricted net assets:	
Net prior service cost	\$ (2,901,883)
Net actuarial loss	<u>37,401,537</u>
	<u>\$ 34,499,654</u>
Net periodic benefit cost	
Components of net periodic benefit cost:	
Service cost	\$ 689,462
Interest cost	8,361,640
Expected return on plan assets	(7,867,738)
Amortization of prior service cost	(331,933)
Amortization of loss deferral	<u>3,838,451</u>
Net periodic pension benefit cost	<u>\$ 4,689,882</u>



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Net actuarial gain	\$ (5,795,097)
Less:	
Amortization of net loss	(3,838,451)
Amortization of prior service costs	<u>331,933</u>
Total	<u>\$ (9,301,615)</u>
Total recognized in net periodic benefit cost in unrestricted net assets	\$ (4,611,733)

The accumulated benefit obligation for the pension plans, which differs from the estimated actuarial present value of the projected benefit obligation because it is based on current rather than future compensation levels, was \$144,427,243 as of June 30, 2011.

Amounts in unrestricted net assets expected to be recognized as a component of net periodic pension benefit cost in fiscal year 2012:

Prior service cost	\$ (331,933)
Loss	2,549,888

**(a) Assumptions**

The weighted averages used in developing the projected pension benefit obligations for the plans as of June 30, 2011 were as follows.

Discount rate	6.03%
Expected return on plan assets	7.50
Rate of compensation increase	4.00

**(b) Expected Long-Term Rate of Return**

The expected long-term rate of return assumption used was based on a total plan return estimation by looking at the current yields available from fixed-income and reasonable equity return assumption based on long-term market trends and applying this to the Plan's asset mix. In addition, the actual long-term historical returns realized by the pension plans were taken into consideration.

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**(c) Estimated Future Benefit Payments**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	<u>Nonunion</u>	<u>Union</u>	<u>Total</u>
2012	\$ 5,390,122	939,600	6,329,722
2013	5,711,785	1,014,830	6,726,615
2014	6,219,220	1,063,975	7,283,195
2015	6,728,471	1,078,543	7,807,014
2016	6,963,885	1,123,196	8,087,081
2017 – 2020	40,974,610	6,384,694	47,359,304
Total	\$ <u>71,988,093</u>	<u>11,604,838</u>	<u>83,592,931</u>

The Company's pension plan weighted average asset allocations as of June 30 by asset category were as follows

Equity securities	53.81%
Debt securities	45.46
Cash and cash equivalents	0.73
	<u>100.00%</u>

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The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2011:

	Quoted prices in active markets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Total fair value
Investments				
Managed cash funds	\$ 908,058	—	—	908,058
Mutual funds – fixed income	—	56,328,067	—	56,328,067
Total fixed income	908,058	56,328,067	—	57,236,125
Common stock	30,384,780	—	—	30,384,780
Foreign stock	1,540,360	—	—	1,540,360
Mutual funds	26,491,860	—	—	26,491,860
Mutual funds international	8,257,675	—	—	8,257,675
Total equity	66,674,675	—	—	66,674,675
Total investment	\$ 67,582,733	56,328,067	—	123,910,800

The following is a description of the valuation methodologies used for assets measured at fair value:

Corporate bonds: Valued at unadjusted quoted market share prices within active markets or based on external price data of comparable securities

Equity securities: Valued at unadjusted quoted market share prices within active markets.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Plans at year-end. Shares traded in an active market.

Common/collective trust funds: Valued at fair value based on the unit value of the fund. Unit values are determined by the bank sponsoring such funds dividing the fund's net assets at fair value by its units outstanding at the valuation date.

**(d) Pension Investment Policies**

The primary objective of the Company's pension investment program is the long-term growth of capital consistent with the protection of principal during major market declines. The program utilizes several balanced managers and provides for asset allocation guidelines consistent with the Company's risk exposure. The equity portion of the portfolio may range from 45% to 65% of total portfolio assets with a target of 55% measured at market value. The fixed income and cash equivalents portion of the portfolio may range from 35% to 65% of total portfolio assets with a target of 45% measured at market value

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The equity segment of the portfolio may include common and preferred stock, convertible securities, warrants, and cash equivalent securities. Equity holdings in any one industry should not exceed 20% of the equity portfolio, holdings in any one economic sector should not exceed 50% of the equity portfolio and holdings in any one company should not exceed 15% of the equity portfolio. Cash equivalent positions should not exceed 10% of the equity managers' portfolio and no more than 15% of the total portfolio measured at market value shall be invested in small companies, defined as companies of less than \$500 million in market capitalization.

The fixed income segment of the portfolio may include marketable bonds, preferred stocks, up to 20% in Securities and Exchange Commission (SEC) registered 144A and securities and cash equivalent securities. With the exception of securities issued by or guaranteed by the U.S. Treasury or U.S. government agencies and instrumentalities, the maximum position in a single issuer's securities should not exceed 5% of the portfolio at market value. The manager is expected to maintain a weighted average bond portfolio quality rating of at least "A." Exposure to below investment grade securities, that is less than "BBB," is limited to a maximum of 20% of the portfolio at market value.

**(e) Contributions**

The Company expects to contribute \$2,325,000 to its bargaining unit pension plan and \$7,025,000 to its nonbargaining unit pension plan in the fiscal year ending June 30, 2012.

The Company has a noncontributory, nonqualified deferred compensation plan for certain key employees. Benefits under the Plan are determined based on increasing percentages (depending on years of service) of base pay and incentive pay. The Company recorded expense related to this plan of \$507,240 in 2011.

**(12) Asserted and Unasserted Malpractice Claims and Contingencies**

In conjunction with the offshore captive, the Company recorded reserve activity for claims and claims expense as follows:

Malpractice reserves at beginning of year	\$ 24,087,314
Net claims and claims expense incurred for the period	8,087,749
Net claims and claims expense paid	<u>(7,281,712)</u>
Malpractice reserves at end of year	\$ <u>24,893,351</u>

Reserves balances have been discounted at the rate of 3% for the year ended June 30, 2011. Retention or limits in which Ruxton assumes the risk of loss is based on an annual occurrence basis of \$3 million per occurrence and \$14 million in aggregate.

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As of June 30, 2011, the Company was partially self-insured for workers compensation claims on a claims-made basis. The aggregate reserves for workers compensation, which have been determined and discounted at the rate of 2.2% are presented as follows:

Gross workers compensation reserves <sup>(a)</sup>	\$ 3,612,845
Less recoverable from reinsurance <sup>(b)</sup>	<u>(557,871)</u>
Net workers compensation reserves	<u>\$ 3,054,974</u>

<sup>(a)</sup> Recorded within accrued salaries and employee benefits on the consolidated balance sheet

<sup>(b)</sup> To adjust total liability for amounts covered by reinsurance related to claims in excess of the per occurrence retention

The receivable for the expected reinsurance recoverable is recorded within other current assets on the consolidated balance sheet. The Company's excess workers' compensation policy is based on a per claim basis in excess of \$350,000.

The Company is subject to legal proceedings and claims, which arise from the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to the actions will not materially affect the consolidated financial position of the Company.

**(13) Insurance Captive**

On August 1, 2003, Ruxton, a wholly owned subsidiary of the Company, was incorporated as a captive insurance company in Bermuda. Ruxton assumed all the liabilities of the GBMC Self Insurance Trust. The capitalization of \$120,000 and additional funding of \$7,052,000 were contributed to Ruxton as the initial funding for the transferred liabilities and investments. Additional funding of \$7,500,000 was contributed to Ruxton during fiscal year 2008. The Company recorded \$9,727,000 in malpractice premium expense in fiscal year 2011. Ruxton covers all members of the Medical Center and the Company. Retention or limits in which Ruxton Insurance Company, Ltd. assumes the risk of loss is based on \$3 million per occurrence and \$14 million in aggregate.

**(14) Taxes**

The Company and most of its subsidiaries are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The subsidiaries of GBMC Investments Inc. are taxable entities. An operating loss carryforward of approximately \$47,362,825 is available to offset future taxable income of GBMC Investments' subsidiaries through the year 2025.

As of June 30, 2011 deferred tax assets of \$23.0 million, consisting primarily of operating loss carryforwards, were offset by a related valuation allowance.

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**(15) Related Parties and Affiliates**

The Company participated in transfers between the Company's affiliates during the year ended June 30, 2011 as follows:

GBMC Physicians LLC	\$ 16,580,834
GBMC Investments, Inc.	(15,355,751)
PPW	992,310
Land	3,789,594
Healthcare	542,837
Foundation	4,450,147
Medical Center	(10,999,971)
	<hr/>
Net transfers	\$ <u>---</u>

The Company leases office space in the physicians pavilions east, west, north and Owings Mills which are medical office buildings owned by subsidiaries of the Company, under operating leases ranging from two to ten years with various renewal terms. Minimum rental payments including pass-through due under these leases as of June 30, 2011 were:

2012	\$ 2,856,152
2013	3,802,866
2014	2,641,681
2015	2,188,237
2016	1,902,242

Rent expense, including pass-through expenses, under the leases was approximately \$5,823,507 for the year ended June 30, 2011.

**(16) Promises to Contribute**

The Company has received unconditional and conditional promises to give. The pledge receivables are recorded on a discounted basis using a rate in effect at the time of the Pledge. Such rates approximate 4%. The Company is the beneficiary of three charitable remainder trusts whose present value as of June 30, 2011 is \$600,887. These trusts are recorded as long-term pledge receivables.

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As of June 30, 2011, the value of pledge receivables consisted of the following:

Due within 1 year	\$ 3,261,671
Due 1 – 5 years	1,119,777
Due over 5 years	<u>681,952</u>
Gross pledge receivables	5,063,400
Less discount and allowance	<u>(368,562)</u>
Net pledge receivables	<u><u>\$ 4,694,838</u></u>

**(17) Controlling and Noncontrolling Interest**

Effective July 1, 2010, the Company adopted new accounting guidance that requires a not-for-profit reporting entity to account for and present noncontrolling interests in a consolidated subsidiary as a separate component of the appropriate class of consolidated net assets. The following tables presents a reconciliation of the changes in consolidated unrestricted net assets attributable to the Company's controlling interest and noncontrolling interest

	<u>Unrestricted net assets- controlling interest</u>	<u>Unrestricted net assets- noncontrolling interest</u>	<u>Total unrestricted net assets</u>
Balance as of June 30, 2010	\$ 262,488,816	1,325,527	263,814,343
Excess of revenues over expenses	35,020,812	(396,773)	34,624,039
Pension related changes other than net periodic pension costs	9,301,615	—	9,301,615
Distributions to noncontrolling interest owners	—	(450,000)	(450,000)
Net assets released for purchase of fixed assets	1,525,045	—	1,525,045
Capital grant	<u>402,742</u>	<u>—</u>	<u>402,742</u>
Increase in net assets	<u>46,250,214</u>	<u>(846,773)</u>	<u>45,403,441</u>
Balance as of June 30, 2011	<u><u>\$ 308,739,030</u></u>	<u><u>478,754</u></u>	<u><u>309,217,784</u></u>

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The noncontrolling interest comprises of:

- 50% interest in Greater Baltimore Imaging Partnership, which provides medical imaging services on the campus of the Medical Center.
- 50% interest in PPS-GBMC Joint Venture, LLC, doing business as Neighborcare which provides pharmaceutical services on the campus of the Medical Center.
- 50% interest in GBMC/HOPKINS Pediatric Surgery, LLC which provides professional medical services.
- 4% interest in GBMC Pavilion West Medical Arts Limited Partnership which is a medical office building on the Medical Center campus.

**(18) Subsequent Events**

The Company has evaluated all events and transactions from the consolidated balance sheet date through October 5, 2011, the date the consolidated financial statements were issued, and determined there are no other items to be recognized or disclosed this period.