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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

Information about Form 990 and its instructions is at [www.IRS.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07-01-2013, 2013, and ending 06-30-2014

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C 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 province, country, and ZIP or foreign postal code

Baltimore, MD 21204

F Name and address of principal officer

Eric L Melchior

6701 North Charles Street

Baltimore, MD 21204

H(a) Is this a group return for subordinates?

☐ Yes☒ No

H(b) Are all subordinates included?

☐ Yes☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3)☐ 501(c) () (Insert no)☐ 4947(a)(1) or ☐ 527

J Website:

www.gbmc.org

K Form of organization

☒ Corporation☐ Trust☐ Association☐ Other

L Year of formation

1960

M State of legal domicile

MD

| Part I | Summary | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---------------------------|---|--|--|------------------------|--|------------------------|---|--|---|------------------------|---|----------------------|----------------------|---|------------------------|------------------------|---|------------------------|------------------------|---|------------------------|------------------------|--|-----------------------|-----------------------|
| Activities & Governance | <div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>To provide medical care and service of the highest quality to each patient (Cont on Sch O) leading to health, healing and hope</div><div></div><div></div><div></div></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table><tr><td><div><div>3</div><div>Number of voting members of the governing body (Part VI, line 1a)</div></div></td><td><div>28</div></td></tr><tr><td><div><div>4</div><div>Number of independent voting members of the governing body (Part VI, line 1b)</div></div></td><td><div>22</div></td></tr><tr><td><div><div>5</div><div>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</div></div></td><td><div>3,790</div></td></tr><tr><td><div><div>6</div><div>Total number of volunteers (estimate if necessary)</div></div></td><td><div>681</div></td></tr><tr><td><div><div>7a</div><div>Total unrelated business revenue from Part VIII, column (C), line 12</div></div></td><td><div>649,102</div></td></tr><tr><td><div><div>7b</div><div>Net unrelated business taxable income from Form 990-T, line 34</div></div></td><td><div>0</div></td></tr></table> | <div><div>3</div><div>Number of voting members of the governing body (Part VI, line 1a)</div></div> | <div>28</div> | <div><div>4</div><div>Number of independent voting members of the governing body (Part VI, line 1b)</div></div> | <div>22</div> | <div><div>5</div><div>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</div></div> | <div>3,790</div> | <div><div>6</div><div>Total number of volunteers (estimate if necessary)</div></div> | <div>681</div> | <div><div>7a</div><div>Total unrelated business revenue from Part VIII, column (C), line 12</div></div> | <div>649,102</div> | <div><div>7b</div><div>Net unrelated business taxable income from Form 990-T, line 34</div></div> | <div>0</div> | | | | | | | | | | | | | | | |
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Part II

Signature Block

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

Sign Here

Signature of officer

Eric L Melchior EVP & CFO

Type or print name and title

Date

2015-05-12

Paid Preparer Use Only

Print/Type preparer's name

Yvette L Woods

Firm's name

DELOITTE TAX LLP

Firm's address

7900 TYSONS ONE PLACE SUITE 800
MCLEAN, VA 221025971

Preparer's signature

Date

Check ☐ if self-employed

PTIN

P00364424

Firm's EIN

86-1065772

Phone no

(703) 251-1000

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line 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? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$ 130,842,410 including grants of \$) (Revenue \$ 140,454,154)
The Greater Baltimore Medical Center, Inc. (GBMC) is a 255-bed medical center (acute and sub-acute care), located on a suburban campus, which provided inpatient care and observation services to 17,105 and 4,181 patients, respectively. Additionally, GBMC delivered over 3,893 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 \$ 71,394,663 including grants of \$) (Revenue \$ 94,013,771)
The operating room performed over 27,651 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 Bariatric 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 \$ 63,530,362 including grants of \$) (Revenue \$ 86,209,872)
The emergency department treated 52,916 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 46,454 patients in specialty clinics such as Ophthalmology, wound care, anti-coagulation, radiation oncology and infusion therapy.























(Code) (Expenses \$ 77,547,456 including grants of \$ 114,245) (Revenue \$ 66,140,158)
Laboratory Service, Radiology - Therapeutic, Residency Program, Magnetic Resonance Imaging, Physician Practices, Cardiac Catheterization, Other Program Services

4d Other program services (Describe in Schedule O)
(Expenses \$ 77,547,456 including grants of \$ 114,245) (Revenue \$ 66,140,158)

4e Total program service expenses 343,314,891

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 instructions)?  | 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 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II  | 4 Yes | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III  | 5 | No |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 for escrow or custodial account liability, 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 temporarily restricted endowments, permanent endowments, 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 Yes | |
| 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 and XII  | 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 and XII 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, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? 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 other assistance to or for any foreign organization? 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 other assistance to or for foreign individuals? 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 hospital facilities? If "Yes," complete Schedule H  | 20a Yes | |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | 20b Yes | |

Part IV

Checklist of Required Schedules (continued)

| | | | | |
|-----|--|-----|-----|----|
| 21 | Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | 21 | Yes | |
| 22 | Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | 22 | | No |
| 23 | Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | 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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | 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 | Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</i> | 25b | | No |
| 26 | Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> | 26 | | No |
| 27 | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | 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? <i>If "Yes," complete Schedule L, Part IV</i> | 28a | Yes | |
| b | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | 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? <i>If "Yes," complete Schedule L, Part IV</i> | 28c | Yes | |
| 29 | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | 29 | | No |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | 30 | | No |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | 31 | | No |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | 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? <i>If "Yes," complete Schedule R, Part I</i> | 33 | Yes | |
| 34 | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | 34 | Yes | |
| 35a | Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 35a | | No |
| b | If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 35b | | |
| 36 | Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | 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? <i>If "Yes," complete Schedule R, Part VI</i> | 37 | | No |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O | 38 | Yes | |

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

☐

| | | | |
|---|--|-------|----|
| | | Yes | No |
| 1a | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. | 407 | |
| 1b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. | 0 | |
| 1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | 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. | 3,790 | |
| 2b 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). | | Yes | |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year? | | Yes | |
| 3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O. | | 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)? | | | 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? | | | No |
| 5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | | No |
| 5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T? | | | |
| 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 as charitable contributions? | | | No |
| 6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | |
| 7a 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? | | | No |
| 7b If "Yes," did the organization notify the donor of the value of the goods or services provided? | | | |
| 7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | | No |
| 7d If "Yes," indicate the number of Forms 8282 filed during the year. | | 0 | |
| 7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | | No |
| 7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | | No |
| 7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? | | | |
| 7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? | | | |
| 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? | | | |
| 9 Sponsoring organizations maintaining donor advised funds. | | | |
| 9a Did the organization make any taxable distributions under section 4966? | | | |
| 9b Did the organization make a distribution to a donor, donor advisor, or related person? | | | |
| 10 Section 501(c)(7) organizations. Enter | | | |
| 10a Initiation fees and capital contributions included on Part VIII, line 12. | | | |
| 10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. | | | |
| 11 Section 501(c)(12) organizations. Enter | | | |
| 11a Gross income from members or shareholders. | | | |
| 11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them). | | | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | | |
| 12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year. | | | |
| 13 Section 501(c)(29) qualified nonprofit health insurance issuers. | | | |
| 13a 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. | | | |
| 13b 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. | | | |
| 13c Enter the amount of reserves on hand. | | | |
| 14a Did the organization receive any payments for indoor tanning services during the tax year? | | | No |
| 14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O. | | | |

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 or note to any line 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 | 28 | |
| If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O | | | |
| 1b | Enter the number of voting members included in line 1a, above, who are independent | 22 | |
| 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 | Did the organization have members or stockholders? | 6 | Yes |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | 7a | Yes |
| 7b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | 7b | Yes |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following | | |
| 8a | The governing body? | 8a | Yes |
| 8b | 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 | Did the organization have local chapters, branches, or affiliates? | 10a | Yes |
| 10b | If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? | 10b | Yes |
| 11a | Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? | 11a | Yes |
| 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990 | | | |
| 12a | Did the organization have a written conflict of interest policy? If "No," go to line 13 | 12a | Yes |
| 12b | Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | Yes |
| 12c | Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done | 12c | Yes |
| 13 | Did the organization have a written whistleblower policy? | 13 | Yes |
| 14 | Did 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? | | |
| 15a | The organization's CEO, Executive Director, or top management official | 15a | Yes |
| 15b | 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 |
| 16b | If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 made these available. Check all that apply. Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input checked="" type="checkbox"/> Other (explain in Schedule O) |
| 19 | Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶Eric L Melchior 6701 North Charles Street Baltimore, MD 21204 (443) 849-2000 |

Check if Schedule O contains a response or note to any line in this Part VII ☐

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

[illegible]

Part VII

| | | | | |
|-----------|--|------------|---|-----------|
| 1b | Sub-Total | | | |
| c | Total from continuation sheets to Part VII, Section A | | | |
| d | Total (add lines 1b and 1c) | 11,127,506 | 0 | 1,134,847 |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶280

| | | Yes | No |
|---|---|-------|----|
| 3 | Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | 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. Report compensation for the calendar year ending with or within the organization's tax year.

| (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 | 5,067,682 |
| Advanced RadiologyMedical Imaging of Ba 7253 Ambassador Road Baltimore MD 21244 | Radiology Services | 2,381,908 |
| Aramark Healthcare Support Services PO Box 651009 Charlotte NC 28265 | Management - Dietary | 1,587,403 |
| Chapel Valley Landscaping 3275 Jennings Chapel Road Woodbine MD 21797 | Landscape & Snow Removal Services | 1,254,072 |
| Mayflower Textile Service PO BOX 20659 Baltimore MD 21223 | Linen Services | 1,244,448 |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►157

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

| | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 |
|---|--|--|----------------------|--|---|---|
| Contributions, Gifts, Grants and Other Similar Amounts | 1a | Federated campaigns | 1a | | | |
| | b | Membership dues | 1b | | | |
| | c | Fundraising events | 1c | 364,515 | | |
| | d | Related organizations | 1d | 5,398,095 | | |
| | e | Government grants (contributions) | 1e | 295,854 | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | | | |
| | g | Noncash contributions included in lines 1a-1f \$ | | | | |
| | h | Total. Add lines 1a-1f | | 6,058,464 | | |
| Program Service Revenue | 2a | Patient Service | Business Code | | | |
| | | | 621110 | 379,064,937 | 379,064,937 | |
| | b | Other Operating Rev | 900099 | 8,402,120 | 7,753,018 | 649,102 |
| | c | | | | | |
| | d | | | | | |
| | e | | | | | |
| | f | All other program service revenue | | | | |
| | g | Total. Add lines 2a-2f | | 387,467,057 | | |
| Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) | | 3,907,334 | | 3,907,334 |
| | 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 | | |
| | | | 30,034,947 | 143,905 | | |
| | b | Less cost or other basis and sales expenses | | | | |
| | | | 18,011,020 | 0 | | |
| | c | Gain or (loss) | | | | |
| | | | 12,023,927 | 143,905 | | |
| | d | Net gain or (loss) | | | | |
| | | | | 12,167,832 | | 12,167,832 |
| | 8a | Gross income from fundraising events (not including \$ 364,515 of contributions reported on line 1c) See Part IV, line 18 | | | | |
| | | | a | 92,490 | | |
| | b | Less direct expenses | b | 342,245 | | |
| | c | Net income or (loss) from fundraising events | | -249,755 | | -249,755 |
| | 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 | 2,376,381 | | 2,376,381 | |
| b | Parking Revenue | 812930 | 1,782,665 | | 1,782,665 | |
| c | | | | | | |
| d | All other revenue | | | | | |
| e | Total. Add lines 11a-11d | | 4,159,046 | | | |
| 12 | Total revenue. See Instructions | | 413,509,978 | 386,817,955 | 649,102 | 19,984,457 |

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).

Check if Schedule O contains a response or note to any line in this Part IX

| 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 United States. See Part IV, line 21. | 114,245 | 114,245 | | |
| 2 | Grants and other assistance to individuals in the United States. See Part IV, line 22. | | | | |
| 3 | Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16. | | | | |
| 4 | Benefits paid to or for members. | | | | |
| 5 | Compensation of current officers, directors, trustees, and key employees. | 7,494,762 | | 7,494,762 | |
| 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. | 160,468,391 | 151,008,251 | 9,460,140 | |
| 8 | Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions). | 8,245,502 | 6,752,780 | 1,492,722 | |
| 9 | Other employee benefits. | 16,669,339 | 14,865,977 | 1,803,362 | |
| 10 | Payroll taxes. | 11,527,402 | 10,500,389 | 1,027,013 | |
| 11 | Fees for services (non-employees): | | | | |
| a | Management. | 2,496,462 | 2,142,376 | 354,086 | |
| b | Legal. | 218,839 | 40,962 | 177,877 | |
| c | Accounting. | 159,215 | 7,064 | 152,151 | |
| d | Lobbying. | 65,370 | | 65,370 | |
| e | Professional fundraising services. See Part IV, line 17. | | | | |
| f | Investment management fees. | 592,324 | | 592,324 | |
| g | Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O). | 28,786,483 | 25,681,438 | 3,105,045 | |
| 12 | Advertising and promotion. | 1,311,167 | 339,614 | 971,553 | |
| 13 | Office expenses. | 91,314,792 | 89,939,331 | 1,375,461 | |
| 14 | Information technology. | 5,348,690 | 3,720,841 | 1,627,849 | |
| 15 | Royalties. | | | | |
| 16 | Occupancy. | 6,638,397 | 5,914,683 | 723,714 | |
| 17 | Travel. | 427,352 | 325,214 | 102,138 | |
| 18 | Payments of travel or entertainment expenses for any federal, state, or local public officials. | | | | |
| 19 | Conferences, conventions, and meetings. | 735,472 | 603,697 | 131,775 | |
| 20 | Interest. | 6,513,591 | 5,880,960 | 632,631 | |
| 21 | Payments to affiliates. | | | | |
| 22 | Depreciation, depletion, and amortization. | 26,155,174 | 23,547,564 | 2,607,610 | |
| 23 | Insurance. | 8,492,427 | 1,367,874 | 7,124,553 | |
| 24 | Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O). | | | | |
| a | Purchased Services | 1,163,051 | 561,631 | 601,420 | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | All other expenses | | | | |
| 25 | Total functional expenses. Add lines 1 through 24e. | 384,938,447 | 343,314,891 | 41,623,556 | 0 |
| 26 | Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). | | | | |

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

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| | | | | (A) | | (B) |
|-----------------------------|---|--|------------|-------------------|-------------|------------------------|
| | | | | Beginning of year | | End of year |
| Assets | 1 | Cash—non-interest-bearing | | | 1 | |
| | 2 | Savings and temporary cash investments | | 7,543,479 | 2 | 29,431,160 |
| | 3 | Pledges and grants receivable, net | | 214,242 | 3 | 218,466 |
| | 4 | Accounts receivable, net | | 44,077,103 | 4 | 47,108,360 |
| | 5 | Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | | | 5 | |
| | 6 | Loans and other 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) Complete Part II of Schedule L | | | 6 | |
| | 7 | Notes and loans receivable, net | | | 7 | |
| | 8 | Inventories for sale or use | | 3,322,140 | 8 | 3,696,331 |
| | 9 | Prepaid expenses and deferred charges | | 9,013,489 | 9 | 9,407,286 |
| | 10a | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D | 10a | 555,365,589 | | |
| | b | Less accumulated depreciation | 10b | 333,326,725 | 222,084,736 | 10c 222,038,864 |
| | 11 | Investments—publicly traded securities | | 139,290,553 | 11 | 166,047,805 |
| | 12 | Investments—other securities See Part IV, line 11 | | 33,009,699 | 12 | 10,991,858 |
| | 13 | Investments—program-related See Part IV, line 11 | | | 13 | |
| | 14 | Intangible assets | | | 14 | |
| | 15 | Other assets See Part IV, line 11 | | 48,008,377 | 15 | 47,254,533 |
| | 16 | Total assets. Add lines 1 through 15 (must equal line 34) | | 506,563,818 | 16 | 536,194,663 |
| Liabilities | 17 | Accounts payable and accrued expenses | | 64,060,917 | 17 | 62,064,340 |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | | 19 | |
| | 20 | Tax-exempt bond liabilities | | 107,969,247 | 20 | 105,292,273 |
| | 21 | Escrow or custodial account liability Complete Part IV of Schedule D | | | 21 | |
| | 22 | Loans and other 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 (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D | | 101,353,211 | 25 | 103,228,665 |
| | 26 | Total liabilities. Add lines 17 through 25 | | 273,383,375 | 26 | 270,585,278 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | | |
| | 27 | Unrestricted net assets | | 197,041,373 | 27 | 224,067,445 |
| | 28 | Temporarily restricted net assets | | 25,948,808 | 28 | 29,075,632 |
| | 29 | Permanently restricted net assets | | 10,190,262 | 29 | 12,466,308 |
| | Organizations that do not follow SFAS 117 (ASC 958), 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 | | 233,180,443 | 33 | 265,609,385 |
| | 34 | Total liabilities and net assets/fund balances | | 506,563,818 | 34 | 536,194,663 |

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

| | | | |
|----|---|----|-------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 413,509,978 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 384,938,447 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 28,571,531 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 233,180,443 |
| 5 | Net unrealized gains (losses) on investments | 5 | 4,255,190 |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | -397,779 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 265,609,385 |

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | No |
| 2b | Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited 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 separate basis | Yes | |
| 2c | If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O | Yes | |
| 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 | |
| 3b | 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.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at**
www.irs.gov/form990.

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| | |
|---|---|
| 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 | <input type="checkbox"/> | A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i). |
| 2 | <input type="checkbox"/> | A school described in section 170(b)(1)(A)(ii). (Attach Schedule E) |
| 3 | <input checked="" type="checkbox"/> | A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). |
| 4 | <input type="checkbox"/> | 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 | <input type="checkbox"/> | 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 | <input type="checkbox"/> | A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v). |
| 7 | <input type="checkbox"/> | 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 | <input type="checkbox"/> | A community trust described in section 170(b)(1)(A)(vi) (Complete Part II) |
| 9 | <input type="checkbox"/> | 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 | <input type="checkbox"/> | An organization organized and operated exclusively to test for public safety See section 509(a)(4). |
| 11 | <input type="checkbox"/> | 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 <input type="checkbox"/> Type I b <input type="checkbox"/> Type II c <input type="checkbox"/> Type III - Functionally integrated d <input type="checkbox"/> Type III - Non-functionally integrated |
| e | <input type="checkbox"/> | 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 | <input type="checkbox"/> | 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 | <input type="checkbox"/> | Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? (ii) A family member of a person described in (i) above? (iii) A 35% controlled entity of a person described in (i) or (ii) above? |
| h | <input type="checkbox"/> | 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 monetary 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) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (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) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (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 2013 (line 6, column (f) divided by line 11, column (f)) | | 14 | | | | |
| 15 Public support percentage for 2012 Schedule A, Part II, line 14 | | 15 | | | | |
| 16a 33 1/3% support test—2013. 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—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | | | | | ▶ |
| 17a 10%-facts-and-circumstances test—2013. 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—2012. 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 IIISupport 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) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (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) 2009 | (b) 2010 | (c) 2011 | (d) 2012 | (e) 2013 | (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 501(c)(3) organization, check this box and stop here ▶ | | | | | | |

| Section C. Computation of Public Support Percentage | | |
|---|----|--|
| 15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)) | 15 | |
| 16 Public support percentage from 2012 Schedule A, Part III, line 15 | 16 | |

| Section D. Computation of Investment Income Percentage | | |
|--|----|--|
| 17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f)) | 17 | |
| 18 Investment income percentage from 2012 Schedule A, Part III, line 17 | 18 | |
| 19a 33 1/3% support tests—2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶ | | |
| b 33 1/3% support tests—2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶ | | |
| 20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ | | |

Part IV **Supplemental Information.** 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).

| |
|------------------------------|
| Facts And Circumstances Test |
| |

| Return Reference | Explanation | |
|------------------|-------------|--|
|------------------|-------------|--|

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. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

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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 35c (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 function activities | ▶ \$ |
| 3 | Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b | ▶ \$ |
| 4 | Did the filing organization file Form 1120-POL for this year? | <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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- 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><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><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></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) 2010 | (b) 2011 | (c) 2012 | (d) 2013 | (e) Total |
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable 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)).

| For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity. | | (a) | | (b) |
|---|--|-----|----|--------|
| | | Yes | No | Amount |
| 1 | During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of | | | |
| a | Volunteers? | Yes | | |
| b | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | Yes | | |
| c | Media advertisements? | | No | 0 |
| d | Mailings to members, legislators, or the public? | Yes | | 1,000 |
| e | Publications, or published or broadcast statements? | Yes | | 4,002 |
| f | Grants to other organizations for lobbying purposes? | | No | 0 |
| g | Direct contact with legislators, their staffs, government officials, or a legislative body? | Yes | | 49,360 |
| h | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | No | 0 |
| i | Other activities? | Yes | | 11,008 |
| j | Total. Add lines 1c through 1i. | | | 65,370 |
| 2a | Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? | | No | |
| b | If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c | If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d | If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

Part III-A

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

| | | Yes | No |
|---|---|-----|----|
| 1 | Were substantially all (90% or more) dues received nondeductible by members? | 1 | |
| 2 | Did the organization make only in-house lobbying expenditures of \$2,000 or less? | 2 | |
| 3 | Did the organization agree to carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

| | | | |
|---|--|----|--|
| 1 | Dues, assessments and similar amounts from members | 1 | |
| 2 | Section 162(e) nondeductible 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

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

| Return Reference | Explanation |
|-------------------|---|
| Part II-B, Line 1 | The amount for other activities includes meetings with GBMC staff, legislative committees, and contracted GBMC lobbyist, as well as amounts incurred for general research on federal and state healthcare issues. |
| | |
| | |
| | |
| | |
| | |
| | |

Part IV

Return Reference

Explanation

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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
► Attach to Form 990. ► See separate instructions. ► Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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

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

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

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

| | Held at the End of the Year |
|--|-----------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d |

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

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

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1

► \$ _____

b Assets included in Form 990, Part X

► \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2013

Part III

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

- 3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 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 XIII 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 XIII Check here if the explanation has been provided in Part XIII

☐

Part V

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

| | (a)Current year | (b)Prior year | b (c)Two years back | (d)Three years back | (e)Four years back |
|--|-----------------|---------------|---------------------|---------------------|--------------------|
| 1a Beginning of year balance | 17,358,091 | 14,235,801 | 12,868,698 | 10,391,609 | 9,433,475 |
| b Contributions | 2,274,086 | 1,503,005 | 1,101,223 | 1,025,384 | 2,135 |
| c Net investment earnings, gains, and losses | 2,154,496 | 1,659,827 | 304,027 | 1,484,905 | 993,109 |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | 1,504,410 | 40,542 | 38,147 | 33,200 | 37,110 |
| f Administrative expenses | | | | | |
| g End of year balance | 20,282,263 | 17,358,091 | 14,235,801 | 12,868,698 | 10,391,609 |

- 2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a

Board designated or quasi-endowment

b

Permanent endowment

61 460 %

c

Temporarily restricted endowment

38 540 %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a

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

(i) unrelated organizations

3a(i)

☐ Yes

☐ No

(ii) related organizations

3a(ii)

☐ Yes

☐ No

b

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

3b

☐ Yes

☐ No
- 4

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

Part VI

Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (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 | | 304,221,929 | 151,467,361 | 152,754,568 |
| c Leasehold improvements | | 9,162,682 | 5,372,661 | 3,790,021 |
| d Equipment | | 124,155,976 | 101,542,775 | 22,613,201 |
| e Other | | 102,534,329 | 74,943,928 | 27,590,401 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 222,038,864 |

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

| | | | |
|----------|---|-----------|-------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 427,746,576 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12 | 2e | 13,928,258 |
| a | Net unrealized gains on investments | 2a | 4,255,190 |
| b | Donated services and use of facilities | 2b | |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII) | 2d | 9,673,068 |
| e | Add lines 2a through 2d | 2e | 13,928,258 |
| 3 | Subtract line 2e from line 1 | 3 | 413,818,318 |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1 | 4c | -308,340 |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII) | 4b | -308,340 |
| c | Add lines 4a and 4b | 4c | -308,340 |
| 5 | Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12) | 5 | 413,509,978 |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

| | | | |
|----------|--|-----------|-------------|
| 1 | Total expenses and losses per audited financial statements | 1 | 381,697,549 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25 | 2e | -2,956,913 |
| a | Donated services and use of facilities | 2a | |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIII) | 2d | -2,956,913 |
| e | Add lines 2a through 2d | 2e | -2,956,913 |
| 3 | Subtract line 2e from line 1 | 3 | 384,654,462 |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1 : | 4c | 283,985 |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII) | 4b | 283,985 |
| c | Add lines 4a and 4b | 4c | 283,985 |
| 5 | Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18) | 5 | 384,938,447 |

Part XIII Supplemental Information

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

| Return Reference | Explanation |
|---------------------------------------|--|
| Part V, Line 4 | Greater Baltimore Medical Center, Inc. holds and manages the endowment for the purpose of: 1) Department Needs - Rehabilitation services for low vision and blindness, human genetics; 2) Research - Support clinical research performed at Greater Baltimore Medical Center; 3) Education - Support education programs, lectures and scholarships, Center for Nursing Excellence; 4) General Support for Greater Baltimore Medical Center; 5) Uncompensated Care. |
| Part X, Line 2 | The Medical Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. 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 financial statements as "more likely than not" that the position is sustainable, based on its technical merits. This standard also provides guidance on the measurement, classification and disclosure of tax return positions in the consolidated financial statements. The Medical Center has adopted this guidance, and there were no amounts recorded in the consolidated financial statements as of and during the years ended June 30, 2014 and 2013 for uncertain tax positions. |
| Part XI, Line 2d - Other Adjustments | Investment Fee reclassified to expense -592,324 RCL to expense -57 Ruxton 4,197,002 Net asset Released 5,770,093 Equity in unrestricted assets from affiliate 298,354 |
| Part XI, Line 4b - Other Adjustments | Event Expense, netted from revenue -342,245 Depreciation Reclass 33,905 |
| Part XII, Line 2d - Other Adjustments | RCL from Revenue -57 Ruxton -2,956,856 |
| Part XII, Line 4b - Other Adjustments | Investment Fee reclassified to expense 592,324 Event Expense, netted from revenue -342,244 Depreciation Reclass 33,905 |
| | |

[illegible]

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

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.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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.
Form 990-EZ filers are not required to complete this part.

- 1

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

☐ Mail solicitations
- e

☐ Solicitation of non-government grants
- b

☐ Internet and email solicitations
- f

☐ Solicitation of government grants
- c

☐ Phone solicitations
- g

☐ Special fundraising events
- d

☐ In-person solicitations
- 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.

| (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 | | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| Total ▶ | | | | | | |

- 3

List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.
-
-

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

| Revenue | | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events | |
|-----------------|---------------------------------------|---|----------------------|-------------------------|------------------|----------------------|-----------|
| | | | <u>Steeple Chase</u> | <u>GBMC Golf Outing</u> | <u>1</u> | (add col (a) through | |
| | | | (event type) | (event type) | (total number) | col (c)) | |
| | | | | | | | |
| 1 | Gross receipts | . . . | 262,098 | 127,600 | 67,307 | 457,005 | |
| 2 | Less Contributions | . . | 202,252 | 94,956 | 67,307 | 364,515 | |
| 3 | Gross income (line 1 minus line 2) | . . . | 59,846 | 32,644 | | 92,490 | |
| Direct Expenses | 4 | Cash prizes | . . . | 50,000 | 0 | 0 | 50,000 |
| | 5 | Noncash prizes | . . | 0 | 5,317 | 1,295 | 6,612 |
| | 6 | Rent/facility costs | . . | 85,263 | 51,008 | 0 | 136,271 |
| | 7 | Food and beverages | . | 40,388 | 14,908 | 101 | 55,397 |
| | 8 | Entertainment | . . . | 9,815 | 0 | 0 | 9,815 |
| | 9 | Other direct expenses | . | 70,505 | 1,589 | 12,056 | 84,150 |
| | 10 | Direct expense summary Add lines 4 through 9 in column (d) ▶ | | | | | (342,245) |
| | 11 | Net income summary Subtract line 10 from line 3, column (d) ▶ | | | | | -249,755 |

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 | | | |
| | 3 | Non-cash prizes | | | |
| | 4 | Rent/facility costs | | | |
| | 5 | Other direct expenses . . . | | | |
| Direct Expenses | 6 | Volunteer labor | | | |
| | 7 | Direct expense summary Add lines 2 through 5 in column (d) ▶ | | | |
| | 8 | Net gaming income summary Subtract line 7 from line 1, 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 _____

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 Enter 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 of the third party

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 **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

| Return Reference | Explanation |
|------------------|-------------|
|------------------|-------------|

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.
► Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

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 | 1a | Yes | |
| b | If "Yes," was it a written policy? | 1b | Yes | |
| 2 | If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities | | | |
| 3 | Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>30000 0000000000 %</u> b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>30000 0000000000 %</u> c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining 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"? | 3a | Yes | |
| 5a | Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? | 3b | Yes | |
| b | If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? | 4 | 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? | 5a | Yes | |
| 6a | Did the organization prepare a community benefit report during the tax year? | 5b | | No |
| b | If "Yes," did the organization make it available to the public? | 5c | | |
| | Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H | 6a | Yes | |
| | | 6b | 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 Worksheet 1) | | | 13,816,695 | 9,055,849 | 4,760,846 | 1 240 % |
| b Medicaid (from Worksheet 3, column a) | | | | | | |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total Financial Assistance and Means-Tested Government Programs | | | 13,816,695 | 9,055,849 | 4,760,846 | 1 240 % |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | 1,063,744 | 45 | 1,063,699 | 0 280 % |
| f Health professions education (from Worksheet 5) | | | 9,917,211 | 64,625 | 9,852,586 | 2 560 % |
| g Subsidized health services (from Worksheet 6) | | | 1,400,803 | 483,656 | 917,147 | 0 240 % |
| h Research (from Worksheet 7) | | | 560,076 | 14,000 | 546,076 | 0 140 % |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 44,234 | | 44,234 | 0 010 % |
| j Total Other Benefits | | | 12,986,068 | 562,326 | 12,423,742 | 3 230 % |
| k Total. Add lines 7d and 7j | | | 26,802,763 | 9,618,175 | 17,184,588 | 4 470 % |

Part IICommunity Building Activities

Complete this table if the organization conducted any 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 |
|--|---|-------------------------------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 1Physical improvements and housing | | | | | | |
| 2Economic development | | | | | | |
| 3Community support | | | 25,000 | | 25,000 | 0.010 % |
| 4Environmental improvements | | | | | | |
| 5Leadership development and training for community members | | | | | | |
| 6Coalition building | | | | | | |
| 7Community health improvement advocacy | | | | | | |
| 8Workforce development | | | | | | |
| 9Other | | | | | | |
| 10Total | | | 25,000 | | 25,000 | 0.010 % |

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

1

28,490,001

3

Yes

No

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME).

6Enter Medicare allowable costs of care relating to payments on line 5.

7Subtract line 6 from line 5. This is the surplus (or shortfall).

8Describe 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.

5

6

7

☐ Cost accounting system

☐ Cost to charge ratio

☐ Other

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?

bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.

9a

9b

Yes

Yes

Part IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

| (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 | | | | |
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Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

Name, address, primary website address, and state license number

| | | Licensed hospital | General medical & surgical | Children's hospital | Teaching hospital | Critical access hospital | Research facility | ER-24 hours | ER-other | Other (Describe) | Facility reporting group |
|--|---------------------------|-------------------|----------------------------|---------------------|-------------------|--------------------------|-------------------|-------------|----------|------------------|--------------------------|
| | See Additional Data Table | | | | | | | | | | |
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Part V Facility Information (continued)

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)
Greater Baltimore Medical Center

Name of hospital facility or facility reporting group

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A)1

| | | Yes | No |
|---|--|-----|-----|
| Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012) | | | |
| 1 | During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply) | 1 | Yes |
| a | <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b | <input checked="" type="checkbox"/> Demographics of the community | | |
| c | <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d | <input checked="" type="checkbox"/> How data was obtained | | |
| e | <input checked="" type="checkbox"/> The health needs of the community | | |
| f | <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g | <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h | <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i | <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs | | |
| j | <input type="checkbox"/> Other (describe in Part VI) | | |
| 2 | Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u> | | |
| 3 | In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 3 | Yes |
| 4 | Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI | 4 | Yes |
| 5 | Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply) | 5 | Yes |
| a | <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>http //www.gbmc.org/communityoutreach</u> | | |
| b | <input type="checkbox"/> Other website (list url) _____ | | |
| c | <input type="checkbox"/> Available upon request from the hospital facility | | |
| d | <input type="checkbox"/> Other (describe in Part VI) | | |
| 6 | If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year) | | |
| a | <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA | | |
| b | <input checked="" type="checkbox"/> Execution of the implementation strategy | | |
| c | <input type="checkbox"/> Participation in the development of a community-wide plan | | |
| d | <input type="checkbox"/> Participation in the execution of a community-wide plan | | |
| e | <input type="checkbox"/> Inclusion of a community benefit section in operational plans | | |
| f | <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA | | |
| g | <input type="checkbox"/> Prioritization of health needs in its community | | |
| h | <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community | | |
| i | <input type="checkbox"/> Other (describe in Part VI) | | |
| 7 | Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs | 7 | No |
| 8a | Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | 8a | No |
| b | If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? | 8b | |
| c | If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____ | | |

Part V

Facility Information (continued)

| Financial Assistance Policy | | Yes | No |
|---|--|-----------|-----|
| 9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | | 9 | Yes |
| 10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used | | 10 | Yes |
| 11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used | | 11 | Yes |
| 12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) | | 12 | Yes |
| a <input checked="" type="checkbox"/> Income level | | | |
| b <input checked="" type="checkbox"/> Asset level | | | |
| c <input checked="" type="checkbox"/> Medical indigency | | | |
| d <input checked="" type="checkbox"/> Insurance status | | | |
| e <input type="checkbox"/> Uninsured discount | | | |
| f <input checked="" type="checkbox"/> Medicaid/Medicare | | | |
| g <input checked="" type="checkbox"/> State regulation | | | |
| h <input type="checkbox"/> Residency | | | |
| i <input type="checkbox"/> Other (describe in Part VI) | | | |
| 13 Explained the method for applying for financial assistance? | | 13 | Yes |
| 14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) | | 14 | Yes |
| a <input type="checkbox"/> The policy was posted on the hospital facility's website | | | |
| b <input type="checkbox"/> The policy was attached to billing invoices | | | |
| c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms | | | |
| d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices | | | |
| e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility | | | |
| f <input type="checkbox"/> The policy was available upon request | | | |
| g <input checked="" type="checkbox"/> Other (describe in Part VI) | | | |
| Billing and Collections | | | |
| 15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? | | 15 | Yes |
| 16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP | | | |
| a <input type="checkbox"/> Reporting to credit agency | | | |
| b <input type="checkbox"/> Lawsuits | | | |
| c <input type="checkbox"/> Liens on residences | | | |
| d <input type="checkbox"/> Body attachments | | | |
| e <input checked="" type="checkbox"/> Other similar actions (describe in Section C) | | | |
| 17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged | | 17 | Yes |
| a <input type="checkbox"/> Reporting to credit agency | | | |
| b <input type="checkbox"/> Lawsuits | | | |
| c <input type="checkbox"/> Liens on residences | | | |
| d <input type="checkbox"/> Body attachments | | | |
| e <input checked="" type="checkbox"/> Other similar actions (describe in Section C) | | | |

Part V

Facility Information *(continued)*

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a** ☒ Notified individuals of the financial assistance policy on admission

b ☐ Notified individuals of the financial assistance policy prior to discharge

c ☒ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills

d ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy

e ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

| | Yes | No |
|--|-----|----|
| 19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why | Yes | |
| a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions | | |
| b <input type="checkbox"/> The hospital facility's policy was not in writing | | |
| c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI) | | |
| d <input type="checkbox"/> Other (describe in Part VI) | | |

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

| | | |
|--|--|----|
| 20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care | | |
| a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged | | |
| b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged | | |
| c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged | | |
| d <input checked="" type="checkbox"/> Other (describe in Part VI) | | |
| 21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI | | No |
| 22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI | | No |

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

[illegible]

Part V

Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

| Name and address | Type of Facility (describe) |
|------------------|-----------------------------|
| 1 _____ | |
| 2 _____ | |
| 3 _____ | |
| 4 _____ | |
| 5 _____ | |
| 6 _____ | |
| 7 _____ | |
| 8 _____ | |
| 9 _____ | |
| 10 _____ | |

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

| Form and Line Reference | 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 |

| Form and Line Reference | 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 partners with Catholic Charities to provide on-site physician coverage at a residential mental health treatment for children (Villa Maria) |

| Form and Line Reference | Explanation |
|-------------------------|---|
| Part I, Ln 7 Col(f) | GBMC adopted the guidance of ASU 2011-7, which required the reclassification of the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. As such \$11.3 million for provision of bad debt was recorded as a reduction of patient service revenue. |

| Form and Line Reference | Explanation |
|--|--|
| Part II, Community Building Activities | GBMC partners with the Christo Rey organization through a \$25,000 annual sponsorship that allows for practical job skills to be gained by at-risk high-school students through sponsorship of a student in an on-site work/study role |

| Form and Line Reference | Explanation |
|-------------------------|---|
| Part III, Line 4 | Part III, Line 2 GBMC uses a calculated cost ratio of 74.39%. This makes the reporting of bad debt consistent with the reporting of charity care Part III, Line 4. Please see page 10 Note 2 (m) Allowance for Bad Debt of the attached June 30, 2014 Audited Financial Statements. |

| Form and Line Reference | Explanation |
|-------------------------|---|
| Part III, Line 9b | Patients who have been previously screened for charity care, are not Medical Assistance eligible and have no insurance do not receive invoices. They are automatically referred GBMC's Assumptive Financial Assistance Program. The Program is run in partnership with TransUnion credit reporting agency. All self pay accounts and those previously identified as charity care are referred to TransUnion, who utilizes a proprietary credit scoring system to determine likelihood of ability to pay based on estimated income and family size. The results from the TransUnion credit scoring are compared to GBMC's Financial Assistance eligibility criteria and a decision is made to write off or to pursue collection. |

| Form and Line Reference | Explanation |
|-------------------------|--|
| Part VI, Line 2 | Greater Baltimore Medical Center (GBMC) completes a Community Health Needs 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. |

| Form and Line Reference | 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. |

| Form and Line Reference | Explanation |
|-------------------------|--|
| Part VI, Line 4 | Greater Baltimore Medical Center, Inc ("GBMC") is a private, not-for-profit, 255 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 when compared to that of Baltimore County and the Nation The 2010 Median Family income for GBMC's immediate service area was \$78,627, compared to \$85,098 and \$62,982 for Maryland and the Nation respectively However, GBMC's percentage of uninsured is 1.47% for its immediate service area, compared to 12.0% for Baltimore County and a National average of 13.2% GBMC's immediate service area has a Medicaid population of 5.26%, compared to Medicaid averages of 13% and 15% for Baltimore County and the State of Maryland respectively |

| Form and Line Reference | Explanation |
|-------------------------|--|
| Part VI, Line 5 | 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 GBMC 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 Most recently, GBMC has invested in a geriatric nurse practitioner program whose sole responsibility is to provide education and primary care services to low-income senior living facilities in the local service area GBMC continues to fund 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 |

| Form and Line Reference | Explanation |
|--|-------------|
| Part VI, Line 7, Reports Filed With States | MD |

Additional Data

Software ID:
Software Version:
EIN: 52-6049658
Name: Greater Baltimore Medical Center Inc

| | |
|--|--|
| Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc. | |
| Form and Line Reference | Explanation |
| Greater Baltimore Medical Center | Part V , Section B, Line 3 As part of the Community Healthcare Needs Assessment (CHNA), select individuals throughout the community representing a variety of unique services, including public health, medical services, social organizations, child & youth services and faith-based organizations were chosen to participate in directly responding to a survey regarding what each individual believed to be the most significant social and healthcare issues facing the community at-large These survey responses became an official component of the overall CHNA report |

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

| Form and Line Reference | Explanation |
|----------------------------------|--|
| Greater Baltimore Medical Center | Part V, Section B, Line 4 University of Maryland - St Joseph Medical Center and Sheppard Pratt Health System |

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

| Form and Line Reference | Explanation |
|----------------------------------|---|
| Greater Baltimore Medical Center | Part V, Section B, Line 7 Greater Baltimore Medical Center(GBMC) continues to define and put into operations work around its implementation strategy in response to the needs identified in CHNA The implementation plan for the CHNA was in process for this tax return year Specifically, GBMC is focused on the identified community health issues it has the most ability to impact in a meaningful way, whether through internally developed strategies and/or partnerships However, the GBMC implementation strategy has a very limited focus on the identified need of mental health services, a service which it is not designated to provide within its acute care spectrum of services Instead, it is believed that much of this need identified community need will be the primary focus of the Sheppard Pratt Health System, a dedicated psychiatric hospital located adjacent to GBMC GBMC's strategy during this fiscal year has focused on diabetes, geriatrics, access to care and population health |

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

| Form and Line Reference | Explanation |
|----------------------------------|--|
| Greater Baltimore Medical Center | Part V, Section B, Line 14g The hospital provides a Permission & Acknowledgments document, which among other things, summarizes the hospital's financial assistance policy The document is provided to patients at the time of admission and included within the invoice billing In addition, each invoice notes the availability of financial assistance to patients that believe they are unable to pay The existence of financial assistance is also visibly displayed within areas of patient flow, such as the emergency department, registration kiosks, surgical service areas, etc |

| | |
|--|--|
| Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc. | |
| Form and Line Reference | Explanation |
| Greater Baltimore Medical Center | Part V, Section B, Line 16e Three invoices are sent to the patient and two follow-up phone calls are made Patients are provided with information regarding the financial assistance application process Primary collection agencies do not credit report |

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

| Form and Line Reference | Explanation |
|----------------------------------|--|
| Greater Baltimore Medical Center | Part V, Section B, Line 17e Three invoices are sent to the patient and two follow-up phone calls are made Patients are provided with information regarding the financial assistance application process Primary collection agencies do not credit report |

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

| Form and Line Reference | Explanation |
|----------------------------------|---|
| Greater Baltimore Medical Center | Part V, Section B, Line 20d GBMC uses objective criteria in accordance with the Maryland State Uniform Financial Assistance application to determine the eligible charity care reduction from the Maryland Health Services Cost Review Commission's approved rates Patients with combined gross household income of less than 300% of the poverty guidelines are generally eligible for 100% financial assistance Applicants with income over 300% of the poverty guidelines are reviewed on a case by case basis utilizing criteria outlined in the policy which considers net income relative to monthly expenses |

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

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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. Part II can be duplicated if additional space is needed.

| (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) Cristo Rey Internship Program Inc 420 South Chester Street Baltimore, MD 21231 | 36-4067306 | 501(c)(3) | 25,000 | | | | See Part IV |
| (2) GBMC Healthcare Inc 6701 North Charles Street Baltimore, MD 21204 | 04-3511768 | 501(c)(3) | 50,000 | | | | See Part IV |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

2

3

Enter total number of other organizations listed in the line 1 table

0

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.
Part III can be duplicated 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. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

| Return Reference | Explanation |
|-----------------------------|---|
| 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 other annually) are required by grantors Additionally, field visits are conducted |
| Part II, line 1, Column (h) | Name of Organization or Government Cristo Rey Internship Program, Inc (h) Purpose of Grant or Assistance To make a private, college - preparatory education affordable to urban young people from Baltimore Name of Organization or Government GBMC Healthcare, Inc (h) General support for GBMC Healthcare, Inc |

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Greater Baltimore Medical Center Inc

Employer identification number
52-6049658

Part I

Questions Regarding Compensation

| | Yes | No |
|---|-----|-----|
| <div><div>1a</div><div>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</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div> | | |
| <div><div>b</div><div>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 of the expenses described above? If "No," complete Part III to explain</div></div> | 1b | |
| <div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div> | 2 | |
| <div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div></div></div> | | |
| <div><div>4</div><div>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</div></div> | 4a | No |
| <div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div> | 4b | Yes |
| <div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div> | 4c | No |
| <div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div> | | |
| <div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div> | | |
| <div><div>5</div><div>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</div></div> | 5a | No |
| <div><div>a</div><div>The organization?</div></div> | 5b | No |
| <div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div> | | |
| <div><div>6</div><div>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</div></div> | 6a | No |
| <div><div>a</div><div>The organization?</div></div> | 6b | No |
| <div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div> | | |
| <div><div>7</div><div>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</div></div> | 7 | No |
| <div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III</div></div> | 8 | No |
| <div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div> | 9 | |

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

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

| (A) Name and Title | | (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 as deferred in prior Form 990 |
|---------------------------|--|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| See Additional Data Table | | | | | | | | |

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

| Return Reference | Explanation |
|------------------|---|
| Part I, Line 4b | 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 B Chessare, M D - \$168,128 Earned, \$0 Paid Mr George E Bayless, III - \$23,074 Earned, \$179,445 Paid Mrs Carolyn L Candiello - \$20,000 Earned, \$0 Paid Mrs Jenny Coldiron - \$21,543 Earned, \$0 Paid Mr John W Ellis - \$87,846 Earned, \$508,932 Paid Mr Michael A Forthman - \$11,835 Earned, \$0 Paid Mrs Catherine Hamel - \$6,082 Earned, \$0 Paid Mr Eric Melchior - \$0 Earned, \$44,969 Paid Mr Keith R Poisson - \$80,165 Earned, \$585,212 Paid Mrs Joanne Porter - \$0 Earned, \$224,115 Paid John R Saunders, MD - \$30,000 Earned, \$118,821 Paid Mrs Deloris Tuggle - \$20,000 Earned, \$0 Paid 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 |

Additional Data

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 | | | | |
| John B Chessare MD President & CEO GBMC Healthcare | (i) (ii) | 645,209 0 | 117,218 0 | 25,035 0 | 169,454 0 | 29,760 0 | 986,676 0 | 0 0 |
| Mr Eric L Melchior EVP & CFO | (i) (ii) | 397,335 0 | 227,756 0 | 33,993 0 | 16,400 0 | 25,244 0 | 700,728 0 | 44,969 0 |
| Mr Keith R Poisson EVP & COO | (i) (ii) | 377,570 0 | 661,993 0 | 23,325 0 | 94,015 0 | 29,560 0 | 1,186,463 0 | 585,212 0 |
| John R Saunders MD VP Medical Affairs & CMO | (i) (ii) | 387,141 0 | 196,856 0 | 27,340 0 | 46,400 0 | 53,640 0 | 711,377 0 | 118,821 0 |
| Mr George E Bayless III VP Finance | (i) (ii) | 224,878 0 | 212,311 0 | 4,959 0 | 30,440 0 | 31,101 0 | 503,689 0 | 179,445 0 |
| Ms Carolyn L Candiello VP Quality & Pt Safety | (i) (ii) | 156,149 0 | 29,937 0 | 6,471 0 | 29,533 0 | 22,220 0 | 244,310 0 | 0 0 |
| Ms Jenny Coldiron VP Development | (i) (ii) | 182,930 0 | 32,801 0 | 4,149 0 | 32,964 0 | 37,987 0 | 290,831 0 | 0 0 |
| Mr John W Ellis Sr VP Stategy & Bus Dev | (i) (ii) | 345,298 0 | 584,001 0 | 22,595 0 | 101,696 0 | 24,320 0 | 1,077,910 0 | 508,932 0 |
| Mr Michael A Forthman VP Facilities & Support Ser | (i) (ii) | 191,335 0 | 28,096 0 | 5,038 0 | 22,671 0 | 31,074 0 | 278,214 0 | 0 0 |
| Ms Catherine Hamel VP Post Acute Srvs & Exec Dir Hospic | (i) (ii) | 179,526 0 | 34,607 0 | 10,970 0 | 18,030 0 | 37,073 0 | 280,206 0 | 0 0 |
| Ms Joanne Porter Sr VP Chief Nursing Exec | (i) (ii) | 254,735 0 | 300,487 0 | 28,780 0 | 16,400 0 | 13,985 0 | 614,387 0 | 224,115 0 |
| Ms Deloris S Tuggle VP Human Resources | (i) (ii) | 241,061 0 | 38,347 0 | 17,588 0 | 32,807 0 | 7,752 0 | 337,555 0 | 0 0 |
| Gary I Cohen MD Med Director/Physician | (i) (ii) | 580,181 0 | 110,033 0 | 792 0 | 8,750 0 | 23,720 0 | 723,476 0 | 0 0 |
| Reginald J Davis MD Med Director/Physician | (i) (ii) | 1,331,734 0 | 53,994 0 | 516 0 | 8,750 0 | 22,245 0 | 1,417,239 0 | 0 0 |
| Niraj Jani MD Med Director/Physician | (i) (ii) | 494,044 0 | 351,568 0 | 108 0 | 8,586 0 | 29,829 0 | 884,135 0 | 0 0 |
| Bimal G Rami MD Med Director/Physician | (i) (ii) | 593,625 0 | 161,654 0 | 120 0 | 7,475 0 | 31,873 0 | 794,747 0 | 0 0 |
| Neri M Cohen MD Med Director/Physician | (i) (ii) | 740,900 0 | 0 0 | 417 0 | 7,305 0 | 31,788 0 | 780,410 0 | 0 0 |
| Ronald F Trutone Jr MD Former Director/GBMC Research Chair | (i) (ii) | 300,000 0 | 0 0 | 0 0 | 0 0 | 0 0 | 300,000 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 Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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 |
| B | MD Health & Higher Ed Fac Auth | 52-0936091 | 574218EY5 | 04-11-2012 | 36,317,095 | Building Renovation and Refund Series 2001 | | X | | X | | X |

Part II

Proceeds

| 1 | Amount of bonds retired | A | | B | | C | | D | |
|----|--|------------|----|------------|----|------------|--|---|--|
| | | | | | | | | | |
| 2 | Amount of bonds legally defeased | 62,062,333 | | 36,317,095 | | | | | |
| 3 | Total proceeds of issue | 67,945,000 | | 35,680,000 | | | | | |
| 4 | Gross proceeds in reserve funds | | | | | | | | |
| 5 | Capitalized interest from proceeds | | | | | | | | |
| 6 | Proceeds in refunding escrows | | | | | | | | |
| 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 | 2011 | | 2012 | | YesNoYesNo | | | |
| | | Yes | No | Yes | No | | | | |
| 14 | Were the bonds issued as part of a current refunding issue? | X | | X | | | | | |
| 15 | Were the bonds issued as part of an advance refunding issue? | | X | | X | | | | |
| 16 | Has the final allocation of proceeds been made? | | X | | X | | | | |
| 17 | Does the organization maintain adequate books and records to support the final allocation of proceeds? | X | | 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 | | X | | | | |
| 2 | Are there any lease arrangements that may result in private business use of bond-financed property? | X | | X | | | | | |

Part III

Private 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 of bond-financed property? | X | | X | | | | | |
| b | If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? | X | | X | | | | | |
| c | Are there any research agreements that may result in private business use of bond-financed property? | | X | | X | | | | |
| d | If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? | | | | | | | | |
| 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 % | | 0 720 % | | | | | |
| 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 % | | 0 % | | | | | |
| 6 | Total of lines 4 and 5 | 1 740 % | | 0 720 % | | | | | |
| 7 | Does the bond issue meet the private security or payment test? | X | | X | | | | | |
| 8a | Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued? | | X | | X | | | | |
| b | If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of | | | | | | | | |
| c | If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2? | | | | | | | | |
| 9 | Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2? | X | | X | | | | | |

Part IV

Arbitrage

| | | A | | B | | C | | D | |
|----|--|-----|----|-----|----|-----|----|-----|----|
| | | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 | Has the issuer filed Form 8038-T? | | X | | X | | | | |
| 2 | If "No" to line 1, did the following apply? | | | | | | | | |
| a | Rebate not due yet? | | X | | X | | | | |
| b | Exception to rebate? | | X | | X | | | | |
| c | No rebate due? | | X | | X | | | | |
| | If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed | | | | | | | | |
| 3 | Is the bond issue a variable rate issue? | | X | | X | | | | |
| 4a | Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? | | X | | X | | | | |
| b | Name of provider | | | | | | | | |
| c | Term of hedge | | | | | | | | |
| d | Was the hedge superintegrated? | | | | | | | | |
| e | Was the hedge terminated? | | | | | | | | |

Part IV

Arbitrage (Continued)

| | | A | | B | | C | | D | |
|----|---|-----|----|-----|----|-----|----|-----|----|
| | | Yes | No | Yes | No | Yes | No | Yes | No |
| 5a | Were gross proceeds invested in a guaranteed investment contract (GIC)? | | X | | 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? | | | | | | | | |
| 6 | Were any gross proceeds invested beyond an available temporary period? | | | | | | | | |
| 7 | Has the organization established written procedures to monitor the requirements of section 148? | X | | X | | | | | |

Part V

Procedures To Undertake Corrective Action

| | | A | | B | | C | | D | |
|--|--|-----|----|-----|----|-----|----|-----|----|
| | | Yes | No | Yes | No | Yes | No | Yes | No |
| | Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations? | X | | X | | | | | |

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

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, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.

OMB No 1545-0047
2013
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) Relationship between disqualified person and organization | (c) Description of transaction | (d) Corrected? | |
|---|---------------------------------|---|--------------------------------|----------------|----|
| | | | | Yes | No |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

| (a) Name of interested person | (b) Relationship with organization | (c) Purpose of loan | (d) Loan to or from the organization? | | (e) Original principal amount | (f) Balance due | (g) In default? | | (h) Approved by board or committee? | (i) Written agreement? | |
|-------------------------------|------------------------------------|---------------------|---------------------------------------|------|-------------------------------|-----------------|-----------------|----|-------------------------------------|------------------------|----|
| | | | To | From | | | 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 assistance | (d) Type of assistance | (e) Purpose of assistance |
|-------------------------------|---|--------------------------|------------------------|---------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |

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) Ms Bonnie Stein | Board Member | 160,673 | See Part V | | No |
| (2) Howard Siegel MD | Former Board Member | 518,653 | See Part V | | No |
| (3) Mr Herbert Belgrad | Board Member | 60,769 | See Part V | | No |
| (4) Mr Harry Johnson | Chairman | 3,150 | See Part V | | No |
| (5) John Wogan MD | Vice Chief of Staff | 76,213 | See Part V | | No |
| (6) Ronald F Tutrone Jr MD | Former Board Member | 288,000 | See Part V | | No |

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

| Return Reference | Explanation |
|---------------------|--|
| Schedule L, Part IV | Ms Bonnie Stein is an EVP at PNC Bank, which is the trustee for many of GBMC's investments Mr Howard Siegel, MD 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 Dr John Wogan, M D is a partner in a PA that provides educational services to GBMC Ronald F Tutrone, Jr , M D provides urology research 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.****▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.**

OMB No 1545-0047

2013**Open to Public
Inspection**Name of the organization
Greater Baltimore Medical Center Inc**Employer identification number**

52-6049658

| Return Reference | Explanation |
|-------------------------------|---|
| 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 |

| Return Reference | Explanation |
|---|--|
| Form 990, Part VI, Section A, line 6 | <p>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</p> |

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

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

| 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 this Form 990 A copy of the Form 990 is provided to the full Board of Directors of the Hospital and GBMC Healthcare prior to filing |

| 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. |

| Return Reference | Explanation |
|--|---|
| Form 990, Part VI, Section B, line 15 | <p>The Compensation Committee ("Committee") of the Board of Directors of GBMC Healthcare, Inc , which is comprised of directors that are "disinterested" as defined by IRS regulations, is authorized to oversee the organization's executive compensation program. The Committee reviews and approves the compensation provided to the organization's President and Chief Executive Officer and each officer, key employee and senior leader, whether or not these individuals would be considered "disqualified persons" under the intermediate sanctions regulations of federal income tax law. The Committee has adopted a written philosophy setting forth the guiding principles governing the compensation provided to the organization's executives. The Committee's review and approval process was established and is conducted in a manner so as to qualify for the rebuttable presumption of reasonableness under the intermediate sanctions regulations of federal income tax law. All forms of compensation and benefits provided to members of the senior leadership team are reviewed, which includes current and deferred compensation and all employee benefits, both qualified and non-qualified to ensure that the "total compensation" is reasonable. The Committee engaged an independent executive compensation consultant that specializes in the review of hospital and health system executive compensation and benefits to compile market compensation data of similarly sized health care organizations throughout the country as well as the same geographic region. No data from any for-profit entities were used. The data were categorized by executive position, and a salary range was developed with the assistance of the independent compensation consultant. The Committee relied upon this data, relevant business judgment factors (e.g., experience, performance, recruitment and retention factors and the unique demands of the position), the guidance provided by the stated compensation philosophy and the written opinion of the independent executive compensation consultant as to the reasonableness of the compensation in relation to market data in making its executive compensation decisions. The Committee also considers its business judgment. The Committee documents the basis for its decisions through the timely preparation of written minutes of the compensation committee meetings during which such decisions are deliberated and determined. The Committee's decisions are subject to the final approval of the Board of Directors.</p> |

| 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. |

| Return Reference | Explanation |
|---------------------------|---|
| Form 990, Part XI, line 9 | Equity in Earnings 6,264,228 Transfer to Affiliates -3,370,400 Pension Expense -3,291,607 |

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

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 (if applicable) 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 | 0 | 0 | Greater Baltimore Medical Center Inc |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year. | | | | | | | |
|---|-------------------------|--|----------------------------|---|----------------------------------|--|----|
| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
| | | | | | | Yes | 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) Disproporionate 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, MD 21204 52-1412751 | Real Estate Mgt | MD | N/A | N/A | | | | No | | | No | |
| (2) GBMC Medical Arts Pavilion West LP 6701 North Charles Street Baltimore, MD 21204 52-1899034 | Real Estate Mgt | MD | N/A | N/A | | | | No | | | No | |
| (3) Greater Baltimore Diagnostic Imaging Partnership 6701 North Charles Street Baltimore, MD 21204 52-1561640 | Imaging Services | MD | N/A | 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 | (i) Section 512 (b)(13) controlled entity? | |
|--|-------------------------|---|-------------------------------------|---|---------------------------------|---|--------------------------------|--|----|
| | | | | | | | | Yes | No |
| (1) GBMC Agency Inc 6701 North Charles Street Baltimore, MD 21204 52-1411931 | Investments | MD | N/A | C | | | | | No |
| (2) GBMC Management Inc 6701 North Charles Street Baltimore, MD 21204 52-1411974 | Management Co | MD | N/A | C | | | | | No |
| (3) GBMC Finance Corporation 6701 North Charles Street Baltimore, MD 21204 52-1863069 | Financing Agent | MD | N/A | C | | | | | No |
| (4) GBMC Finance Corporation II 6701 North Charles Street Baltimore, MD 21204 52-1836142 | Financing Agent | MD | N/A | C | | | | | No |
| (5) GBMC Finance Corporation III 6701 North Charles Street Baltimore, MD 21204 52-1836144 | Financing Agent | MD | N/A | C | | | | | No |
| (6) Ruxton Insurance Company Ltd 3 Gorham Road Hamilton HM 08 Hamilton BD 98-0413102 | Insurance Captive | BD | N/A | C | | | | | No |
| (7) GBMD Inc 6701 North Charles Street Baltimore, MD 21204 52-1914558 | Healthcare | MD | N/A | C | | | | | No |

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Dividends from related organization(s)

g

Sale of assets to related organization(s)

h

Purchase of assets from related organization(s)

i

Exchange of assets with related organization(s)

j

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

k

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

l

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

m

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

n

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o

Sharing of paid employees with related organization(s)

p

Reimbursement paid to related organization(s) for expenses

q

Reimbursement paid by related organization(s) for expenses

r

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

s

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

Yes

No

1a

Yes

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

Yes

1n

Yes

1o

Yes

1p

No

1q

Yes

1r

Yes

1s

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 related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|----------------------------------|------------------------|--|
| (1) Ruxton Insurance Company Ltd | B | 9,835,000 | Cost |
| (2) Ruxton Insurance Company Ltd | Q | 8,973,133 | Cost |
| | | | |
| | | | |
| | | | |
| | | | |

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

Provide additional information for responses to questions on Schedule R (see instructions)

| Return Reference | Explanation |
|------------------|-------------|
|------------------|-------------|

Additional Data

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 entity? | |
|--|-------------------------|--|----------------------------|---|--------------------------------------|---|----|
| | | | | | | Yes | No |
| (1) GBMC Foundation Inc 6701 North Charles Street Baltimore, MD 21204 52-1411935 | Fundraising | MD | 501(c)(3) | Line 7 170(b)(1)(a) | GBMC Healthcare Inc | | No |
| (1) Gilchrist Hospice Care Inc 11311 McCormick Road No 350 Hunt Valley, MD 21031 52-1851251 | Hospice Service | MD | 501(c)(3) | Line 3 170(b)(1)(a) | GBMC Healthcare Inc | | No |
| (2) GBMC Investments Inc 6701 North Charles Street Baltimore, MD 21204 52-1040300 | Investment Management | MD | 501(c)(3) | Line 11, Type II 50 | GBMC Healthcare Inc | | No |
| (3) Diversified Health Enterprises Inc 6701 North Charles Street Baltimore, MD 21204 52-1725005 | Health Services | MD | 501(c)(3) | Line 11, Type II 50 | GBMC Healthcare Inc | | No |
| (4) Diversified Nurses Inc 6701 North Charles Street Baltimore, MD 21204 52-1305904 | Nursing Services | MD | 501(c)(3) | Line 9 509(a)(2) | GBMC Healthcare Inc | | No |
| (5) Diversified Health Services Inc 6701 North Charles Street Baltimore, MD 21204 52-1331933 | Health Services | MD | 501(c)(3) | Line 9 509(a)(2) | GBMC Healthcare Inc | | No |
| (6) GBMC Land Inc 6701 North Charles Street Baltimore, MD 21204 52-1413360 | Real Estate Property | MD | 501(c)(3) | Line 11, Type I 509 | GBMC Healthcare Inc | | No |
| (7) GBMC Healthcare Inc 6701 North Charles Street Baltimore, MD 21204 52-1413360 | Health Services | MD | 501(c)(3) | Line 7 170(b)(1)(a) | N/A | | No |
| (8) Presbyterian Eye Ear and Throat Charity Hospital 2639 Queensland Drive Ellicott City, MD 21093 52-0449990 | Supporting | MD | 501(c)(3) | Line 11, Type III-FI | Greater Baltimore Medical Center Inc | | No |
| (9) Milton J Dance Jr Endowment Inc 409 Washington Avenue Baltimore, MD 21204 52-1104173 | Supporting | MD | 501(c)(3) | Line 11, Type III-FI | Greater Baltimore Medical Center Inc | | No |
| (10) Women's Hospital Foundation Inc PO Box 166 Riderwood, MD 21139 52-0591609 | Fundraising | MD | 501(c)(3) | Line 11, Type III-FI | Greater Baltimore Medical Center Inc | | No |



**GREATER BALTIMORE MEDICAL CENTER, INC.
AND SUBSIDIARIES**

Consolidated Financial Statements

June 30, 2014 and 2013

(With Independent Auditors' Report Thereon)

**GREATER BALTIMORE MEDICAL CENTER, INC.
AND SUBSIDIARIES**

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| Consolidated Statements of Cash Flows | 6 |
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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 financial statements of Greater Baltimore Medical Center, Inc. and its subsidiaries (the Medical Center), which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greater Baltimore Medical Center, Inc and its subsidiaries as of June 30, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with U S generally accepted accounting principles

KPMG LLP

October 2, 2014

**GREATER BALTIMORE MEDICAL CENTER, INC.
AND SUBSIDIARIES**

Consolidated Balance Sheets

June 30, 2014 and 2013

(In thousands)

| Assets | 2014 | 2013 |
|---|-------------|-------------|
| Current assets | | |
| Cash and cash equivalents | \$ 24,309 | 2,585 |
| Short-term investments and limited or restricted use funds | 10,540 | 18,511 |
| Patient accounts receivable, net of reserves of \$6.152 and 6.421 | 47,108 | 44,077 |
| Advances to affiliates | 6,365 | 1,965 |
| Other current assets | 14,640 | 13,706 |
| Total current assets | 102,962 | 80,844 |
| Noncurrent assets | | |
| Investments and limited or restricted use funds | 217,526 | 179,555 |
| Interest in net assets of affiliate | 8,561 | 31,393 |
| Advances to affiliates | 2,310 | 2,832 |
| Property, plant and equipment, net | 222,039 | 222,085 |
| Other assets | 12,897 | 12,741 |
| Total noncurrent assets | 463,333 | 448,606 |
| Total assets | \$ 566,295 | 529,450 |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 34,930 | 32,549 |
| Accrued salaries and employee benefits | 17,109 | 18,215 |
| Insurance reserves, current | 9,641 | 13,151 |
| Advances from third-party payors | 13,175 | 13,650 |
| Current portion of long-term debt and capital lease liabilities | 4,216 | 4,171 |
| Other liabilities | 6,144 | 5,503 |
| Total current liabilities | 85,215 | 87,239 |
| Noncurrent liabilities | | |
| Long-term debt | 102,542 | 105,314 |
| Capital lease liabilities | 28,331 | 27,963 |
| Insurance reserves | 32,411 | 33,142 |
| Accrued pension liability | 21,339 | 18,668 |
| Other long-term liabilities | 662 | 912 |
| Total liabilities | 270,500 | 273,238 |
| Net assets | | |
| Unrestricted | 254,252 | 220,072 |
| Temporarily restricted | 29,076 | 25,949 |
| Permanently restricted | 12,467 | 10,191 |
| Total net assets | 295,795 | 256,212 |
| Total liabilities and net assets | \$ 566,295 | 529,450 |

See accompanying notes to consolidated financial statements

**GREATER BALTIMORE MEDICAL CENTER, INC.
AND SUBSIDIARIES**

Consolidated Statements of Operations

Years ended June 30, 2014 and 2013

(In thousands)

| | <u>2014</u> | <u>2013</u> |
|--|------------------|----------------|
| Patient service revenue | | |
| Patient service revenue, net of contractual allowances | \$ 390,336 | 384,298 |
| Provision for uncollectible accounts | <u>(11,271)</u> | <u>(9,509)</u> |
| Net patient service revenue | 379,065 | 374,789 |
| Other operating revenue | | |
| Other revenue | 17,707 | 13,998 |
| Net assets released from restrictions | <u>5,770</u> | <u>5,210</u> |
| Total operating revenue | <u>402,542</u> | <u>393,997</u> |
| Operating expenses | | |
| Salaries and wages | 183,931 | 179,904 |
| Employee benefits | 36,661 | 40,665 |
| Expendable supplies | 81,219 | 80,723 |
| Purchased services | 47,164 | 45,371 |
| Depreciation and amortization | 26,160 | 25,695 |
| Interest | <u>6,562</u> | <u>6,705</u> |
| Total operating expenses | <u>381,697</u> | <u>379,063</u> |
| Total operating income | <u>20,845</u> | <u>14,934</u> |
| Other income | | |
| Contributions | 419 | 739 |
| Investment income, net | 18,977 | 15,718 |
| Interests in unrestricted net assets of affiliate | <u>299</u> | <u>1,839</u> |
| Total other income | <u>19,695</u> | <u>18,296</u> |
| Excess of revenues over expenses | <u>\$ 40,540</u> | <u>33,230</u> |

See accompanying notes to consolidated financial statements

**GREATER BALTIMORE MEDICAL CENTER, INC.
AND SUBSIDIARIES**

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2014 and 2013

(In thousands)

| | <u>2014</u> | <u>2013</u> |
|---|-------------------|----------------|
| Excess of revenues over expenses | \$ 40,540 | 33,230 |
| Changes in unrestricted activity | | |
| Pension related changes other than net periodic pension costs | (3,291) | 23,791 |
| Net assets released for purchase of fixed assets | 1,884 | 204 |
| Contribution from noncontrolling interest | — | 5 |
| Transfers to affiliates | (2,860) | (3,474) |
| Reclassification of net assets | (2,093) | — |
| Increase in unrestricted net assets | <u>34,180</u> | <u>53,756</u> |
| Changes in temporarily restricted net assets | | |
| Contributions | 5,642 | 7,542 |
| Investment income, net | 73 | 40 |
| Interests in temporarily restricted net assets of affiliate | 3,402 | 3,663 |
| Transfer of restricted assets (to) from affiliates | 86 | (1,220) |
| Net assets released for operations | (5,770) | (5,210) |
| Net assets released for purchase of fixed assets | (1,884) | (204) |
| Reclassification of net assets | 1,578 | — |
| Increase in temporarily restricted net assets | <u>3,127</u> | <u>4,611</u> |
| Changes in permanently restricted net assets | | |
| Contributions | 1,761 | 1,550 |
| Interests in permanently restricted net assets of affiliate | 597 | 1,647 |
| Transfers to affiliates | (597) | (1,693) |
| Reclassification of net assets | 515 | — |
| Increase in permanently restricted net assets | <u>2,276</u> | <u>1,504</u> |
| Increase in net assets | 39,583 | 59,871 |
| Net assets, beginning of year | <u>256,212</u> | <u>196,341</u> |
| Net assets, end of year | <u>\$ 295,795</u> | <u>256,212</u> |

See accompanying notes to consolidated financial statements

**GREATER BALTIMORE MEDICAL CENTER, INC.
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

Years ended June 30, 2014 and 2013

(In thousands)

| | <u>2014</u> | <u>2013</u> |
|---|------------------|-----------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 39,583 | 59,871 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 26,160 | 25,695 |
| Provision for uncollectible accounts | 11,271 | 9,509 |
| Changes in interest in net assets of affiliates | (4,298) | (7,149) |
| Realized/unrealized gains on investments | (16,731) | (13,878) |
| Transfers to affiliates | 3,371 | 6,387 |
| Pension related changes other than net periodic pension costs | 3,291 | (23,791) |
| Realized and unrealized gains on joint venture | (1,453) | — |
| Restricted contributions | (7,403) | (9,092) |
| Contribution from noncontrolling interest | — | (5) |
| Changes in assets and liabilities | | |
| Increase in patient accounts receivable | (14,302) | (8,571) |
| Decrease in other assets | 815 | 3,225 |
| (Decrease) increase in accounts payable and accrued expenses, advances from third parties, current and noncurrent liabilities | (8,751) | 1,090 |
| Decrease in pension liability | (620) | (4,224) |
| Net cash provided by operating activities | <u>30,933</u> | <u>39,067</u> |
| Cash flows from investing activities | | |
| Decrease (increase) in investments and limited or restricted use funds | 14,414 | (29,888) |
| Additions to property and equipment | (18,566) | (18,012) |
| Proceeds from sale of joint venture | 899 | — |
| Net cash used in investing activities | <u>(3,253)</u> | <u>(47,900)</u> |
| Cash flows from financing activities | | |
| Payment on long-term debt and capital lease liabilities | (4,145) | (3,949) |
| Transfer to affiliates | (7,249) | (5,804) |
| Proceeds from restricted contributions | 5,438 | 4,342 |
| Contribution from noncontrolling interest | — | 5 |
| Net cash used in financing activities | <u>(5,956)</u> | <u>(5,406)</u> |
| Increase (decrease) in cash | 21,724 | (14,239) |
| Cash and cash equivalents, beginning of year | <u>2,585</u> | <u>16,824</u> |
| Cash and cash equivalents, end of year | <u>\$ 24,309</u> | <u>2,585</u> |
| Cash paid for interest | \$ 6,425 | 6,572 |
| Capital additions accrued but not paid | 5,701 | 3,335 |
| Non-cash capital lease addition | 1,808 | — |

See accompanying notes to consolidated financial statements

**GREATER BALTIMORE MEDICAL CENTER, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

(In thousands)

(1) Nature of Operations

Greater Baltimore Medical Center, Inc. and subsidiaries (the Medical Center), located in Baltimore, Maryland, is a not-for-profit hospital and a wholly owned subsidiary of GBMC HealthCare, Inc. (the Company). The Medical Center provides inpatient, 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 which is a healthcare provider and Ruxton Insurance Company, Ltd which is a wholly owned insurance captive domiciled in Bermuda that insures the risks for the Medical Center's malpractice and general liability claims. The Medical Center was formed by agreement dated September 1, 1965, by the Hospital for the Women of Maryland of Baltimore City (Women's Hospital) and Presbyterian Eye, Ear and Throat Charity Hospital (Presbyterian Hospital).

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Cash and Cash Equivalents

Cash and cash equivalents, carried at cost which approximates fair value, include short term investments with original maturities of three months or less from the date of purchase invested that are readily convertible to known amounts of cash. Cash balances may exceed amounts insured by federal agencies and therefore bear a risk of loss. The Medical Center has not experienced such losses on these funds.

(c) Limited or Restricted 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. The Board of Directors and 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) Interest in Net Assets of Affiliates

Prior to 2014, the Medical Center transferred donor-restricted contributions to GBMC Investments Inc., a wholly owned subsidiary of the Company. The Medical Center recognized the investment as well as investment income, realized and unrealized gains/losses related to these underlying contributions. The investment is recorded at its fair value. In 2014, GBMC Investments Inc.

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transferred such monies to the Medical Center. In addition, the Medical Center recognizes pledge receivables held by GBMC Foundation, Inc., a wholly owned subsidiary of the Company, since pledge receivables are for the benefit of the Medical Center.

(f) *Investments and Investment Income*

Investments include amounts designated by management for specific purposes, plant replacement and other purposes. The Medical Center'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 value on the consolidated balance sheet. The fair values of the investments are based on quoted market prices or dealer quotations. See note 4 for the discussion of the measurement of fair value for investments.

Investment income or losses (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, are reported as other operating income. Investment income or loss (including unrealized and realized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses unless restricted by a 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.

(g) *Other Assets*

Other assets include deferred financing costs related to long-term borrowings that are amortized on a straight-line basis, which approximates the effective interest rate method, over the life of the borrowings which ranges from 3 to 30 years. Also included in other assets are deferred leasing costs, which are amortized over the lease terms and expensed on a straight-line basis over the life of the related lease.

The Medical Center has incurred deferred financing costs related to the issuance of Maryland Health and Higher Educational Facilities Authority (MHHEFA) Series 2012, Series 2011, and Series 1995 Revenue Bonds that have been capitalized. Amortization expense for deferred leasing and bond financing costs for the years ended June 30, 2014 and 2013 was \$70 and \$66, respectively. Accumulated amortization at June 30, 2014 and 2013 amounted to \$284 and \$214, respectively.

The Medical Center is a 38% limited partner in the Pavilion West Medical Arts Limited Partnership (West Pavilion). The West Pavilion is a medical office building located on the Medical Center campus.

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The Medical Center accounts for its joint ventures using the equity method or at cost, as appropriate, and any income/loss is included in income in other operating revenue in the consolidated statements of operations

(h) *Property, Plant and Equipment*

Property, plant and equipment are recorded at cost or, if donated, at fair market value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 2 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 statements of operations.

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.

(i) *Donor-Restricted Gifts*

Unconditional promises to give cash and other assets to the Medical Center 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 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 statements 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.

(j) *Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those whose use by the Medical Center 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 Medical Center in perpetuity.

In 2014, the Medical Center determined that \$2.093 of unrestricted net assets should be recorded as temporarily restricted net assets of (\$1.578) and permanently restricted net assets of (\$515).

(k) *Insurance Reserves*

The provision for estimated insurance reserves includes estimates of the ultimate costs for reported malpractice, health and workers' compensation claims and claims incurred but not reported.

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(l) 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.

On January 29, 2014, the Medical Center and the HSCRC agreed to implement the Global Budget Revenue (GBR) methodology, effective July 1, 2013. The agreement will continue through June 30, 2014 and on July 1, 2014, and each year thereafter, the agreement will renew for a one year period unless it is canceled by the HSCRC or by the Medical Center. The GBR model is consistent with the Medical Center's mission to provide the highest value of care possible to its patients and the communities it serves. The GBR agreement establishes a prospective, fixed revenue base "GBR cap" for the upcoming year. This includes both inpatient and outpatient regulated services. Under GBR, the Medical Center's revenue for all HSCRC regulated services is predetermined for the upcoming year, regardless of changes in volume, service mix, intensity, or mix of inpatient or outpatient services that occurred during the year. The GBR agreement allows the Medical Center to adjust unit rates, within certain limits, to achieve the overall revenue base for the Medical Center at year end. Any overcharge or undercharge versus the GBR cap is prospectively added to the subsequent year's GBR cap. Although the GBR cap does not adjust for changes in volume or service mix, the GBR cap is adjusted annually for inflation, and for changes in payor mix and uncompensated care. Beginning on July 1, 2014 and each year thereafter, the Medical Center will receive an annual adjustment to its cap for the change in population in the Medical Center's service area. GBR is designed to encourage hospitals to operate efficiently by reducing utilization and managing patients in the appropriate care delivery setting.

Physician charges are not regulated by the HSCRC and are primarily reimbursed by third party payors at rates that are contractually agreed upon.

Adjustments to patient service revenue for contractual allowances, discounts and financial assistance were \$83,140 and \$82,398 for the years ended June 30, 2014 and 2013, respectively.

(m) Allowance for Bad Debt

Patient accounts receivable are reduced by allowances for bad debts. In evaluating the collectibility of accounts receivable, the Medical Center analyzes historical collections and write-offs and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for bad debts and provision for uncollectible accounts. Management regularly reviews its estimate and evaluates the sufficiency of the allowance for bad debts. The Medical Center analyzes

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contractual amounts due from patients who have third-party coverage and provides an allowance for doubtful accounts and a provision for bad debts. For patient accounts receivable associated with self-pay patients, which includes those patients without existing insurance coverage for a portion of the bill, the Medical Center records a significant provision for bad debts for patients that are unable or unwilling to pay for the portion of the bill representing their financial responsibility. Account balances are charged off against the allowance for doubtful accounts after all means of collection has been exhausted.

The activity in the allowance for bad debts is summarized as follows for the years ended June 30

| | 2014 | 2013 |
|--------------------------------------|-----------------|--------------|
| Beginning balance | \$ 6,421 | 6,190 |
| Provision for uncollectible accounts | 11,271 | 9,509 |
| Less write offs | (11,540) | (9,278) |
| Ending balance | <u>\$ 6,152</u> | <u>6,421</u> |

(n) Meaningful Use

Under certain provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), federal incentive payments are available to hospitals, physicians and certain other professionals (Providers) when they adopt, implement or upgrade (AIU) certified electronic health record (EHR) technology or become "meaningful users," as defined under ARRA, of EHR technology in ways that demonstrate improved quality, safety and effectiveness of care. Providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology in each period over four periods. Medicaid providers can receive their initial incentive payment by satisfying AIU criteria, but must demonstrate meaningful use of EHR technology in subsequent years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments, however, physicians and other professionals may be eligible for either Medicare or Medicaid incentive payments, but not both. The Medical Center recognizes Medicare EHR incentive payments when it is reasonably assured that the Medical Center will successfully demonstrate compliance with the specified meaningful use criteria. The Medical Center and certain physicians satisfied the CMS AIU and/or meaningful use criteria. As a result, the Medical Center recognized approximately \$1,776 and \$1,781 of Medicare and Medicaid EHR incentive payments in other operating revenues in the consolidated statements of operations for the years ended June 30, 2014 and 2013, respectively.

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(o) *Excess of Revenue over Expenses*

The consolidated statements of operations 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, contributions and distributions with noncontrolling investors, transfers to affiliates, 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)

(p) *Financial Assistance and Community Benefits*

As part of the Medical Center's mission, it provides medical care without discrimination, including the ability of a patient to pay for services. Under the Medical Center'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 Medical Center recorded \$4,337 and \$4,617 of financial assistance during the years ended June 30, 2014 and 2013, respectively. The total direct and indirect cost of providing financial assistance was approximately \$3,274 and \$3,493 during the years ended June 30, 2014 and 2013, respectively.

In addition to its Financial Assistance Policy, the Medical Center 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 Medical Center 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.

(q) *Income Taxes*

The Medical Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. 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 financial statements as "more likely than not" that the position is sustainable, based on its technical merits. This standard also provides guidance on the measurement, classification and disclosure of tax return positions in the consolidated financial statements. The Medical Center has adopted this guidance, and there were no amounts recorded in the consolidated financial statements as of and during the years ended June 30, 2014 and 2013 for uncertain tax positions.

(r) *Use of Estimates*

The preparation of 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 financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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(s) New Accounting Pronouncements

The FASB issued Accounting Standards update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Particularly, that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for fiscal year 2018. The Medical Center expects to record a decrease in net patient service revenue and a corresponding decrease in bad debt expense upon adoption of the standard.

(3) Concentrations of Credit Risk

The Medical Center 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 and patient service revenue from patients and third parties as of and for the years ended June 30, 2014 and 2013 were as follows:

| | Accounts receivables | | Revenues | |
|--------------------------|-----------------------------|-------------|-----------------|-------------|
| | 2014 | 2013 | 2014 | 2013 |
| Medicare | 30% | 30% | 37% | 37% |
| Medicaid | 6 | 4 | 2 | 2 |
| Blue Cross | 13 | 12 | 16 | 15 |
| Other third party payors | 45 | 46 | 43 | 44 |
| Self Pay | 6 | 8 | 2 | 2 |
| Total | 100% | 100% | 100% | 100% |

The Medical Center provides general acute healthcare service in the State of Maryland. The Medical Center 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
- Lawsuits alleging malpractice or other claims

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

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The Medicare and state Medicaid reimbursement programs represent a substantial portion of the Medical Center's revenues and the Medical Center'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 Medical Center.

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

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). Federal healthcare reform initiatives continue to prompt a national review of federally funded healthcare programs. In addition, the federal government and many states continue to fund programs to audit and recover potential overpayments to providers from the Medicare and Medicaid programs. In September 2009, the Medical Center was notified that the Recovery Audit Contractors (RAC) would begin auditing company operations in 2011 and the Medical Center received its first request for records in the first quarter of fiscal year 2011. RAC activity continued in fiscal year 2014 and, on average, the audits for fiscal year 2014 and 2013 remained consistent. The Medical Center has devoted resources to track, tend and defend RAC audit results and implemented a response program and 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 2014 or 2013 consolidated financial statements.

(4) Investments and Limited or Restricted Use Funds

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 one is considered 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 Medical Center 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

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- 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

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

| June 30, 2014 | | | | |
|---|----------------|----------------|----------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Managed cash funds | \$ 20,479 | — | — | 20,479 |
| Corporate debt securities | — | 71,952 | — | 71,952 |
| Bonds – treasury | 6,054 | — | — | 6,054 |
| Bonds – federal agency backed | — | 5,739 | — | 5,739 |
| Bonds – mortgage-backed | — | 3,592 | — | 3,592 |
| Mutual funds – fixed income | — | 904 | — | 904 |
| Municipal bonds | — | 1,042 | — | 1,042 |
| Total fixed income | 6,054 | 83,229 | — | 89,283 |
| Common stock | 80,520 | 553 | 796 | 81,869 |
| Foreign stock | 7,992 | — | 1,760 | 9,752 |
| Mutual funds | 26,649 | — | — | 26,649 |
| Mutual funds international | 34 | — | — | 34 |
| Total equity | 115,195 | 553 | 2,556 | 118,304 |
| Total investment and limited or restricted use funds | 141,728 | 83,782 | 2,556 | 228,066 |
| Less current portion | 10,540 | — | — | 10,540 |
| Total noncurrent investment and limited or restricted use funds | \$ 131,188 | 83,782 | 2,556 | 217,526 |

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| | June 30, 2013 | | | |
|---|----------------------|----------------|----------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Managed cash funds | \$ 27.810 | — | — | 27.810 |
| Corporate debt securities | — | 67.093 | — | 67.093 |
| Bonds – treasury | 7.182 | — | — | 7.182 |
| Bonds – federal agency backed | — | 5.243 | — | 5.243 |
| Bonds – mortgage-backed | — | 5.585 | — | 5.585 |
| Mutual funds – fixed income | — | 1.115 | — | 1.115 |
| Municipal bonds | — | 1.205 | — | 1.205 |
| Total fixed income | 7.182 | 80.241 | — | 87.423 |
| Common stock | 83.520 | — | 812 | 84.332 |
| Foreign stock | 4.467 | — | 1.481 | 5.948 |
| Mutual funds | 17.215 | — | — | 17.215 |
| Mutual funds international | 135 | — | — | 135 |
| Total equity | 105.337 | — | 2.293 | 107.630 |
| Total investment and limited or restricted use funds | 140.329 | 80.241 | 2.293 | 222.863 |
| Less current portion | 18.511 | — | — | 18.511 |
| Total noncurrent investment and limited or restricted use funds | \$ 121.818 | 80.241 | 2.293 | 204.352 |

The above table includes interest in net assets of affiliates of \$24.797 as of June 30, 2013

Changes to Level 1 and Level 2 inputs between June 30, 2014 and 2013 were the result of strategic investments and reinvestments, interest income earning and changes in fair value of investments

As of June 30, 2014 and 2013, respectively, the Level 3 investment consists of holdings of \$1.760 and \$1.481, respectively, in a managed foreign investment fund and \$796 and \$812, respectively, of donated stock in a closely held company. The foreign investment fund value is provided by the investment manager and is based upon the sales price at close of the exchange on which each security is principally traded. The value of the donated stock is based on independent appraisals obtained by the closely held company. There were no significant transfers between levels during the years ended June 30, 2014 and 2013.

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Investments and limited or restricted use funds comprise the following uses and purposes at June 30

| | <u>2014</u> | <u>2013</u> |
|------------------------------|-------------------|----------------|
| Limited use for debt service | \$ 5,129 | 5,041 |
| Insurance settlements | 42,052 | 46,293 |
| Donor restricted | 32,772 | 29,329 |
| Unrestricted | <u>148,113</u> | <u>142,200</u> |
| | <u>\$ 228,066</u> | <u>222,863</u> |

Investment income and gains for cash and cash equivalents and investments and limited use funds comprise the following for the years ended June 30

| | <u>2014</u> | <u>2013</u> |
|--|------------------|---------------|
| Unrestricted income | | |
| Dividends and interest, net | \$ 2,246 | 1,840 |
| Realized gains on sales of investments | 12,024 | 1,691 |
| Unrealized gains on investments | <u>4,707</u> | <u>12,187</u> |
| Total unrestricted income, net | 18,977 | 15,718 |
| Temporarily restricted income | | |
| Dividends and interest, net | <u>73</u> | <u>40</u> |
| Total investment income, net | <u>\$ 19,050</u> | <u>15,758</u> |

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(5) Property, Plant, and Equipment

Property, plant, and equipment as of June 30, consisted of the following

| | 2014 | 2013 |
|--|-------------------|------------------|
| Land and land improvements | \$ 22,663 | 22,698 |
| Buildings and building service equipment | 288,466 | 280,477 |
| Movable equipment | 192,048 | 202,038 |
| Capital leases | 39,322 | 39,322 |
| Construction in progress | 12,867 | 3,470 |
| | <u>555,366</u> | <u>548,005</u> |
| Less accumulated depreciation and amortization | <u>(333,327)</u> | <u>(325,920)</u> |
| Total property, plant and equipment, net | <u>\$ 222,039</u> | <u>222,085</u> |
| Depreciation expense | \$ 26,112 | 25,650 |
| Amortization expense | 48 | 45 |
| Total depreciation and amortization expense | <u>\$ 26,160</u> | <u>25,695</u> |

(6) Long-Term Debt

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

| | 2014 | 2013 |
|--|-------------------|----------------|
| MHHEFA project and refunding revenue bonds | | |
| Series 2012 bonds | | |
| 3.25% – 5.00% term bonds | \$ 35,680 | 35,680 |
| Series 2011 bonds | | |
| 2.50% – 5.75% term bonds | 63,470 | 65,765 |
| Series 1995 bonds | | |
| Variable rate serial bonds | 5,710 | 6,070 |
| Unamortized bond premium/discount | 432 | 454 |
| | <u>105,292</u> | <u>107,969</u> |
| Less current portion of long-term debt | <u>(2,750)</u> | <u>(2,655)</u> |
| | <u>\$ 102,542</u> | <u>105,314</u> |

On April 11, 2012, MHHEFA issued \$35,680 of tax exempt Revenue Bonds, Series 2012 on behalf of the Medical Center. Bond proceeds were loaned to the Medical Center pursuant to the Master Trust Indenture. The 2012 Bonds bear interest at 3.25% – 5.00%. The bond proceeds and limited use funds were used to refund Series 2001 Revenue Bonds (\$40,265). The Series 2012 Bonds are due on July 1 in annual installments ranging from \$1,710 in 2022 to \$3,700 in 2034.

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On April 20, 2011, MHHEFA issued \$67,945 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), b) a portion of Series 2001 Revenue Bonds (\$12,565), and c) the Series 1993 Revenue Bonds (\$11,975). The Series 2011 bonds are due on July 1 in annual installments ranging from \$2,375 in 2014 to \$3,905 in 2034.

On October 4, 1995, MHHEFA issued \$10,000 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 \$375 in 2014 to \$590 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 was 0.30% and 0.24% as of June 30, 2014 and 2013, respectively. 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, 2016.

The Series 2012, 2011, and 1995 Revenue Bonds are collateralized equally and ratably by a lien on all gross receipts of the Medical Center.

The aggregate future maturities of long-term debt as of June 30, 2014 are as follows:

| | Long-term debt |
|---------------------------|-------------------------------|
| 2015 | \$ 2,750 |
| 2016 | 3,295 |
| 2017 | 3,495 |
| 2018 | 3,620 |
| 2019 | 3,790 |
| Thereafter | 87,910 |
| | <hr/> 104,860 |
| Unamortized bond discount | 432 |
| | <hr/> \$ 105,292 <hr/> |

The fair value of the Medical Center's long-term debt, which is estimated, based on quotes from underwriters, was approximately \$113,073 and \$111,624 as of June 30, 2014 and 2013, respectively.

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

In 2013, the Medical Center renewed a \$10,000 line of credit, which expires on November 30, 2014, bearing interest at the LIBOR Daily Floating Rate. No amounts were drawn on this line during the years ended June 30, 2014 or 2013.

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(7) Temporarily and Permanently Restricted Net Assets

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

| | <u>2014</u> | <u>2013</u> |
|---|------------------|---------------|
| Departmental needs | \$ 14,907 | 12,505 |
| Purchase of equipment/construction | 1,420 | 1,807 |
| Education | 5,117 | 4,415 |
| Uncompensated care | 163 | 247 |
| Research | 4,249 | 4,064 |
| Time restriction | 3,220 | 2,911 |
| Total temporarily restricted net assets | <u>\$ 29,076</u> | <u>25,949</u> |

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

| | <u>2014</u> | <u>2013</u> |
|---|------------------|---------------|
| Departmental needs | \$ 8,465 | 6,194 |
| Research | 2,725 | 2,725 |
| Education | 650 | 645 |
| General support | 512 | 512 |
| Uncompensated care | 115 | 115 |
| Total permanently restricted net assets | <u>\$ 12,467</u> | <u>10,191</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes for the years ended June 30 as follows

| | <u>2014</u> | <u>2013</u> |
|------------------------------------|-----------------|--------------|
| Departmental needs | \$ 4,681 | 4,021 |
| Education | 111 | 498 |
| Research | 819 | 637 |
| Uncompensated care | 159 | 54 |
| Net assets released for operations | <u>\$ 5,770</u> | <u>5,210</u> |
| Purchase of equipment/construction | \$ 1,884 | 204 |

The Medical Center's endowment fund consists of donations from individual donors. The Medical Center 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.

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The Medical Center 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 absent explicit donor stipulations to the contrary. As a result of this interpretation, the Medical Center 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 Medical Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Medical Center 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 Medical Center 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
- The investment policies of the organization

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The Medical Center had the following activities among its endowment fund during the years ended June 30, 2014 and 2013, respectively, delineated by net asset class

| | Unrestricted | Temporary restricted | Permanently restricted | Total |
|--|---------------------|---------------------------------|-----------------------------------|--------------|
| Endowment net assets, June 30, 2012 | \$ — | 5,549 | 8,687 | 14,236 |
| Investment return | | | | |
| Investment income, net | — | 164 | — | 164 |
| Net appreciation (realized and unrealized) | — | 1,496 | — | 1,496 |
| Total investment return | — | 1,660 | — | 1,660 |
| Contributions | — | — | 1,504 | 1,504 |
| Appropriation of endowment assets for expenditure | — | (41) | — | (41) |
| Endowment net assets, June 30, 2013 | — | 7,168 | 10,191 | 17,359 |
| Investment return | | | | |
| Investment income, net | — | 258 | — | 258 |
| Net appreciation (realized and unrealized) | — | 1,896 | — | 1,896 |
| Total investment return | — | 2,154 | — | 2,154 |
| Contributions | — | — | 1,761 | 1,761 |
| Reclassification of net assets | — | — | 515 | 515 |
| Appropriation of endowment assets for expenditure | — | (1,504) | — | (1,504) |
| Endowment net assets, June 30, 2014 | \$ — | 7,818 | 12,467 | 20,285 |

(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, 2014 and 2013.

(b) Return Objectives and Risk Parameters

The Medical Center 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 Medical Center 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.

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(c) *Strategies Employed for Achieving Investment Objectives*

To achieve its long-term rate of return objectives, the Medical Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yields (interest and dividends). The Medical Center 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 approves the method to be used to appropriate endowment funds for expenditures. The Medical Center 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.

(8) Retirement Plans

(a) *Defined Benefit Plan*

The Medical Center has two noncontributory defined benefit pension plans, Greater Baltimore Medical Center Retirement Plan (DB Non Union) and the Pension Plan for Members of the Bargaining Unit of Greater Baltimore Medical Center (DB Union), 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, the DB Non Union plan was frozen. As a result, no future benefits may be earned, however, employees are eligible to vest under the terms of the Plan.

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The following table sets forth the plans' funded status and amounts recognized in the Medical Center's financial statements as of June 30, 2014 and 2013. The change in benefit obligation, plan assets, and funded status of the pension plans is as follows:

| | <u>2014</u> | <u>2013</u> |
|--|-------------------|----------------|
| Change in benefit obligation | | |
| Benefit obligation at beginning of year | \$ 173,254 | 179,911 |
| Service cost | 802 | 901 |
| Interest cost | 8,629 | 8,192 |
| Actuarial loss (gain) | 15,177 | (10,097) |
| Benefits paid | (6,141) | (5,653) |
| Benefit obligation at end of year | <u>\$ 191,721</u> | <u>173,254</u> |
| Change in plan assets | | |
| Fair value of plan assets at beginning of year | \$ 154,586 | 133,228 |
| Actual return on plan assets | 20,247 | 17,998 |
| Employer contribution | 1,690 | 9,013 |
| Benefits paid | (6,141) | (5,653) |
| Fair value of plan assets at end of year | <u>\$ 170,382</u> | <u>154,586</u> |
| Funded status at end of year | \$ (21,339) | (18,668) |
| Amounts recognized in unrestricted net assets as of June 30, 2014 and 2013 are as follows | | |
| Net prior service cost | \$ (1,851) | (2,224) |
| Net actuarial loss | 48,607 | 45,689 |
| Net periodic benefit cost | <u>\$ 46,756</u> | <u>43,465</u> |
| Components of net periodic benefit cost for the years ended June 30, 2014 and 2013 are as follows | | |
| Service cost | \$ 802 | 901 |
| Interest cost | 8,629 | 8,192 |
| Expected return on plan assets | (11,383) | (10,014) |
| Amortization of prior service cost | (372) | (347) |
| Amortization of loss deferral | 3,393 | 6,055 |
| Total | <u>\$ 1,069</u> | <u>4,787</u> |

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 \$189,516 and \$171,229 as of June 30, 2014 and 2013, respectively.

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Amounts in unrestricted net assets expected to be recognized as a component of net periodic pension benefit cost in the year ended June 30, 2015 are as follows

| | | |
|--------------------|----|---------------------|
| Prior service cost | \$ | (372) |
| Loss | | <u>3,578</u> |
| | \$ | <u><u>3,206</u></u> |

i) Assumptions

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

| | <u>Union</u> | | <u>Nonunion</u> | |
|--------------------------------|--------------|-------------|-----------------|-------------|
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Discount rate | 4.45% | 5.09% | 4.45% | 5.09% |
| Expected return on plan assets | 7.50 | 7.50 | 7.50 | 7.50 |
| Rate of compensation increase | 4.00 | 4.00 | — | — |

ii) 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.

iii) 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> |
|-----------|-------------------------|----------------------|-----------------------|
| 2015 | \$ 7,271 | 1,183 | 8,454 |
| 2016 | 7,469 | 1,215 | 8,684 |
| 2017 | 7,949 | 1,291 | 9,240 |
| 2018 | 8,297 | 1,315 | 9,612 |
| 2019 | 8,584 | 1,426 | 10,010 |
| 2020-2024 | <u>47,248</u> | <u>7,486</u> | <u>54,734</u> |
| Total | <u><u>\$ 86,818</u></u> | <u><u>13,916</u></u> | <u><u>100,734</u></u> |

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

| | <u>2014</u> | <u>2013</u> |
|---------------------------|-------------|-------------|
| Equity securities | 37% | 45% |
| Debt securities | 61 | 50 |
| Cash and cash equivalents | 2 | 5 |
| | <u>100%</u> | <u>100%</u> |

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30

| June 30, 2014 | | | | |
|----------------------------|------------------|----------------|----------------|----------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Managed cash funds | \$ 3,003 | — | — | 3,003 |
| Mutual funds-fixed income | — | 45,405 | — | 45,405 |
| Common collective trust | — | 58,813 | — | 58,813 |
| Total fixed income | <u>3,003</u> | <u>104,218</u> | <u>—</u> | <u>107,221</u> |
| Common stock | 29,468 | — | — | 29,468 |
| Foreign stock | 2,835 | — | — | 2,835 |
| Mutual funds | 18,944 | — | — | 18,944 |
| Mutual funds international | 11,914 | — | — | 11,914 |
| Total equity | <u>63,161</u> | <u>—</u> | <u>—</u> | <u>63,161</u> |
| Total plan assets | <u>\$ 66,164</u> | <u>104,218</u> | <u>—</u> | <u>170,382</u> |

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| | | June 30, 2013 | | | |
|----------------------------|----|---------------|---------|---------|---------|
| | | Level 1 | Level 2 | Level 3 | Total |
| Managed cash funds | \$ | 6,958 | — | — | 6,958 |
| Mutual funds-fixed income | | — | 39,405 | — | 39,405 |
| Common collective trust | | — | 38,118 | — | 38,118 |
| Total fixed income | | 6,958 | 77,523 | — | 84,481 |
| Common stock | | 34,292 | — | — | 34,292 |
| Foreign stock | | 1,897 | — | — | 1,897 |
| Mutual funds | | 25,322 | — | — | 25,322 |
| Mutual funds international | | 8,594 | — | — | 8,594 |
| Total equity | | 70,105 | — | — | 70,105 |
| Total plan assets | | \$ 77,063 | 77,523 | — | 154,586 |

Changes to Level 1 and Level 2 inputs between June 30, 2014 and 2013 were the result of strategic investments and reinvestments, interest income earning and changes in fair value of investments

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

Common and foreign stock 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

iv) Pension Investment Policies

The primary objective of the Medical Center'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 Medical Center's risk exposure. The equity portion of the DB Union

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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 DB Union portfolio may range from 35% to 55% of total portfolio assets with a target of 45% measured at market value. The investment program related to the DB Non Union portfolio, which was frozen effective June 30, 2007, has the added objective to protect the principal in preparation for future termination of the plan. A major strategy of the investment program for the DB Non Union portfolio is a de-risking strategy that periodically transfers investments from equity to fixed income securities based upon pre-established goals and criteria which are managed by the Company's investment consultants. The distribution of the DB Non Union portfolio as of June 30, 2014 was 33.1% equities, fixed income 65.2%, and cash 1.7%.

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 Medical Center 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 \$500,000 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.

v) Contributions

The Medical Center expects to contribute \$1,000 to its DB Union pension plan and \$1,000 to its DB Non Union pension plan in the fiscal year ending June 30, 2015.

(b) Defined Contribution Plan

Effective July 1, 2007, the Medical Center established the GBMC, Inc. 401(a) Defined Contribution Plan (DC Non Union) covering all employees except those covered by the collective bargaining agreement, or employees in a zero hour or registry position. The Medical Center contributes up to 6% of all eligible employee wages (basic contribution) to the plan and matches up to 3% of employee wages of those who contribute to the Greater Baltimore Medical Center, Inc. Voluntary 403(b) Plan. At the discretion of the Board of Directors, the Medical Center may contribute additional funds to the plan.

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Expenses for the defined contribution plan for the years ended June 30 were as follows

| | 2014 | 2013 |
|--------------------|-----------------|--------------|
| Basic contribution | \$ 3.406 | 3.287 |
| Match contribution | 2.986 | 2.701 |
| Total contribution | <u>\$ 6.392</u> | <u>5.988</u> |

Effective July 1, 2009, the Medical Center established the GBMC, Inc 401(a) Defined Contribution Plan for Members of the Bargaining Union of Greater Baltimore Medical Center (DC Union) for the members covered by a collective bargaining agreement. The Medical Center matches up to 3% of eligible employee wages of those who contribute to the Greater Baltimore Medical Center, Inc Voluntary 403(b) Plan. The Medical Center contributed \$74 and \$75 during the years ended June 30, 2014 and 2013, respectively.

(c) Non-Qualified Plan

The Medical Center 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. The Medical Center recorded expense related to this plan of \$709 and \$672 for the years ended June 30, 2014 and 2013, respectively.

(9) Related Parties and Affiliates

Advances (payables) to (from) affiliates comprise the following as of June 30

| | 2014 | 2013 |
|-------------------------------------|-----------------|--------------|
| Gilchrist Hospice Care, Inc | \$ 755 | 614 |
| GBMC Agency, Inc | 28 | 29 |
| Physicians, LLC | 5,582 | 1,314 |
| Pediatric Surgery, LLC | — | 8 |
| Advances to affiliates (current) | <u>\$ 6,365</u> | <u>1,965</u> |
| Greater Baltimore Health Alliance | \$ 2,543 | 744 |
| GBMC Medical Arts LP (PPE) | (1,312) | (564) |
| Physicians Pavilion West | 1,869 | 2,990 |
| Owings Mills Pavilion | (790) | (338) |
| Advances to affiliates (noncurrent) | <u>\$ 2,310</u> | <u>2,832</u> |

Such amounts do not have a stated maturity date. Some amounts are noninterest bearing and others bear interest, 3.25% at June 30, 2014 and 2013.

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At June 30, 2013, GBMC Investments, Inc., a wholly owned subsidiary of the Company held donor-restricted investments solely for the benefit of the Medical Center with a fair value of \$24,797 (none at June 30, 2014). Further, GBMC Foundation, Inc. held pledge receivables of \$8,561 and \$6,596 as of June 30, 2014 and 2013, respectively, for the benefit of the Medical Center.

The Medical Center makes transfers to related entities to provide additional liquidity resources to those entities. Transactions between the Medical Center and related entities during the years ended June 30, 2014 and 2013 were as follows:

| | <u>2014</u> | <u>2013</u> |
|------------------------|-----------------|---------------|
| Contributions made | | |
| GBMC Investments, Inc. | \$ 783 | 1,740 |
| GBMC Foundation, Inc. | 6,119 | 8,177 |
| GBMC Land, Inc. | 1,049 | 347 |
| GBMC Healthcare, Inc. | 310 | 223 |
| | <u>\$ 8,261</u> | <u>10,487</u> |
| Contributions received | | |
| GBMC Investments, Inc. | \$ 2,594 | 2,419 |
| GBMC Foundation | 2,296 | 1,681 |
| | <u>\$ 4,890</u> | <u>4,100</u> |

The Medical Center leases office space in the physicians pavilions east, 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, 2014 were as follows:

| | |
|------------|----------|
| 2015 | \$ 3,274 |
| 2016 | 2,837 |
| 2017 | 2,577 |
| 2018 | 1,939 |
| 2019 | 1,317 |
| Thereafter | 2,386 |

Rent expense, including pass-through expenses, under these leases was approximately \$4,295 and \$4,199 for the years ended June 30, 2014 and 2013, respectively.

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(10) Functional Expenses

The Medical Center provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended June 30, were as follows:

| | <u>2014</u> | <u>2013</u> |
|----------------------------|-------------------|----------------|
| Health care services | \$ 341,012 | 339,395 |
| General and administrative | 40,685 | 39,668 |
| Total operating expenses | <u>\$ 381,697</u> | <u>379,063</u> |

(11) Leases

Capital Leases

The Medical Center is obligated under a long term lease expiring in 2030 for the use of a medical office building. Payments increase at varying rates from \$2,253 to \$3,005 per year over the remaining life. Interest rates approximated 5.76% as of June 30, 2014 and 2013.

The Medical Center leases medical equipment with annual payments ranging from \$54 to \$387 and the last lease expires in fiscal year 2019.

Scheduled principal and interest payments on capital lease and financing obligations for the years ended June 30 are as follows:

| | <u>Payments</u> | <u>Principal payments</u> |
|-----------------------------------|------------------|---------------------------|
| 2015 | \$ 3,080 | 1,466 |
| 2016 | 2,924 | 1,372 |
| 2017 | 2,870 | 1,385 |
| 2018 | 2,870 | 1,456 |
| 2019 | 2,870 | 1,530 |
| Thereafter | <u>30,606</u> | <u>22,588</u> |
| | 45,220 | 29,797 |
| Less amount representing interest | <u>(15,423)</u> | <u>—</u> |
| | <u>\$ 29,797</u> | <u>29,797</u> |

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Operating Leases

The Medical Center leases equipment and office space in the Company's medical office building and in privately owned buildings. The lease terms range from two to thirteen years. Rent expense under these operating leases for the years ended June 30, 2014 and 2013 were \$5,628 and \$5,880, respectively. The minimum future rental expense for the years ended June 30 are as follows:

| | <u>Equipment</u> | <u>Rent</u> | <u>Total</u> |
|------------|------------------|---------------|---------------|
| 2015 | \$ 406 | 4,031 | 4,437 |
| 2016 | — | 3,571 | 3,571 |
| 2017 | — | 3,281 | 3,281 |
| 2018 | — | 2,478 | 2,478 |
| 2019 | — | 1,727 | 1,727 |
| Thereafter | — | 3,142 | 3,142 |
| | <u>\$ 406</u> | <u>18,230</u> | <u>18,636</u> |

(12) Asserted and Unasserted Insurance Claims and Contingencies

The Medical Center maintains an offshore captive insurance company in Bermuda to provide coverage for medical malpractice claims. Reserve balances have been discounted at the rate of 3% for the years ended June 30, 2014 and 2013. The receivable for the expected reinsurance recoverable is recorded within other assets on the balance sheet. Retention on limits in which Ruxton assumes risk of loss is based on an annual occurrence basis of \$3 million per occurrence and \$18 million in aggregate. Amounts in excess of these limits are insured by highly rated commercial insurance companies.

As of June 30, 2014 and 2013, the Medical Center was partially self-insured for workers' compensation and health insurance claims on a claims-made basis. The aggregate reserves for workers' compensation claims were determined and discounted at the rate of 1.9% and 1.5% for 2014 and 2013, respectively. The receivable for the expected reinsurance recoverable is recorded within other current assets on the balance sheet. The Medical Center's excess workers' compensation policy is based on a per claim basis in excess of \$350 plus a corridor deductible of \$750.

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The Medical Center recorded reserve activity for claims and claims expense as follows

| June 30, 2014 | | | | |
|---|--------------------|----------------------------------|---------------|--------------|
| | Malpractice | Workers' compensation | Health | Total |
| Insurance reserves self insured | \$ 25.594 | 3.714 | 1.718 | 31.026 |
| Reserves that are recoverable from reinsurance company | 10.533 | 493 | — | 11.026 |
| Gross insurance reserves | 36.127 | 4.207 | 1.718 | 42.052 |
| Less current portion of insurance reserves | 6.312 | 1.611 | 1.718 | 9.641 |
| Total noncurrent insurance reserves | \$ 29.815 | 2.596 | — | 32.411 |
| June 30, 2013 | | | | |
| | Malpractice | Workers' compensation | Health | Total |
| Insurance reserves self insured | \$ 29.300 | 3.587 | 2.509 | 35.396 |
| Reserves that are recoverable from reinsurance company | 10.154 | 743 | — | 10.897 |
| Gross insurance reserves | 39.454 | 4.330 | 2.509 | 46.293 |
| Less current portion of insurance reserves | 6.312 | 4.330 | 2.509 | 13.151 |
| Total noncurrent insurance reserves | \$ 33.142 | — | — | 33.142 |

The Medical Center 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 financial position of the Medical Center

(13) Subsequent Events

The Medical Center has evaluated all events and transactions from the balance sheet date through October 2, 2014, the date at which the financial statements were issued, and determined there are no other items to be recognized or disclosed this period