

**2011 Exempt Organization Business Tax Return**

prepared by:

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PRINCESS ANNE, MD 21853

**MCCREADY FOUNDATION INC**  
201 HALL HIGHWAY  
CRISFIELD, MD 21817

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2011 calendar year, or tax year beginning Jul 1, 2011, and ending Jun 30, 2012

Form sections B through M containing organization details: Name (MCCREADY FOUNDATION INC), EIN (52-0607921), Address (201 HALL HIGHWAY, CRISFIELD, MD 21817), and Principal Officer (NANCY RIGBY).

Part I Summary

Summary table with columns for line number, description, Prior Year, and Current Year. Includes sections for Activities & Governance, Revenue, Expenses, and Net Assets or Fund Balances.

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.

Signature block form with fields for Sign Here (Signature of officer: NANCY RIGBY, CFO) and Paid Preparer Use Only (Preparer: SCOTT TAWES & ASSOCIATES, CPA, PA).

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:

HOSPITAL, NURSING HOME, AND ASSISTED LIVING FACILITY

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 [X] 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 [X] 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 and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4 a (Code: ) (Expenses \$ 14,814,200. including grants of \$ 0. ) (Revenue \$ 18,074,499. )

MCCREADY MEMORIAL HOSPITAL

4 b (Code: ) (Expenses \$ 6,081,020. including grants of \$ 0. ) (Revenue \$ 6,081,020. )

ALICE BYRD TAWES NURSING HOME

4 c (Code: ) (Expenses \$ 741,298. including grants of \$ 0. ) (Revenue \$ 95,653. )

CHESAPEAKE COVE ASSISTED LIVING FACILITY

4 d Other program services. (Describe in Schedule O.)

(Expenses \$ 0. including grants of \$ 0. ) (Revenue \$ 10,168. )

4 e Total program service expenses 21,636,518.

**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 . . . . .   | X   |    |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? . . . . .   |     | X  |
| 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 . . . . .  |     | X  |
| 4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II . . . . .   |     | X  |
| 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 . . . . .   |     | X  |
| 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 . . . . .  |     | X  |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II . . . . .   |     | X  |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III . . . . .   |     | X  |
| 9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV . . . . .   |     | X  |
| 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 . . . . .   | X   |    |
| 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 . . . . .  | X   |    |
| 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 . . . . .  |     | X  |
| 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 . . . . .  |     | X  |
| 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 . . . . .  |     | X  |
| e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X . . . . .   |     | X  |
| 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 . . . . .  |     | X  |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII . . . . .   | X   |    |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional . . . . .  | X   |    |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E . . . . .  |     | X  |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? . . . . .   |     | X  |
| 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 . . . . . |     | X  |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV . . . . .  |     | X  |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV . . . . .  |     | X  |
| 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) . . . . .  |     | X  |
| 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 . . . . .   |     | X  |
| 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 . . . . .   |     | X  |
| 20a Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H . . . . .   | X   |    |
| b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .  | X   |    |

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

|  | Yes | No |
|--|-----|----|
| <b>21</b> Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II . . . . .</i>  |     | X  |
| <b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III . . . . .</i>   |     | X  |
| <b>23</b> 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>  | X   |    |
| <b>24 a</b> 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, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25. . . . .</i>                        |     | X  |
| <b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .   |     |    |
| <b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .  |     |    |
| <b>d</b> Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year? . . . . .   |     |    |
| <b>25 a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I . . . . .</i>  |     | X  |
| <b>b</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>  |     | X  |
| <b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If 'Yes,' complete Schedule L, Part II. . . . .</i>   |     | X  |
| <b>27</b> 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> |     | X  |
| <b>28</b> 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):  |     |    |
| <b>a</b> A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV . . . . .</i>  |     | X  |
| <b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV. . . . .</i>  |     | X  |
| <b>c</b> 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>   |     | X  |
| <b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M . . . . .</i>  |     | X  |
| <b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M . . . . .</i>  |     | X  |
| <b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I . . . . .</i>  |     | X  |
| <b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II . . . . .</i>  |     | X  |
| <b>33</b> 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>  |     | X  |
| <b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1. . . . .</i>  |     | X  |
| <b>35 a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .  |     | X  |
| <b>b</b> 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>  |     | X  |
| <b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2 . . . . .</i>   |     | X  |
| <b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI . . . . .</i>   |     | X  |
| <b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .   | X   |    |

BAA

Form 990 (2011)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

|   |   | Yes | No |
|---|---|-----|----|
| <b>1 a</b>  | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable . . . . . <b>1 a</b> 46  |     |    |
| <b>1 b</b>  | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . . <b>1 b</b> 0  |     |    |
| <b>1 c</b>  | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . . <b>1 c</b>   | X   |    |
| <b>2 a</b>  | 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 . . . . . <b>2 a</b> 352  |     |    |
| <b>2 b</b>  | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . . . . . <b>2 b</b>   | X   |    |
| <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions) |   |     |    |
| <b>3 a</b>  | Did the organization have unrelated business gross income of \$1,000 or more during the year? . . . . . <b>3 a</b>  |     | X  |
| <b>3 b</b>  | If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O . . . . . <b>3 b</b>  |     |    |
| <b>4 a</b>  | 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)? . . . . . <b>4 a</b>                                 |     | X  |
| <b>4 b</b>  | If 'Yes,' enter the name of the foreign country: <input type="text"/><br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.   |     |    |
| <b>5 a</b>  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . . <b>5 a</b>  |     | X  |
| <b>5 b</b>  | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . . <b>5 b</b>   |     | X  |
| <b>5 c</b>  | If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T? . . . . . <b>5 c</b>   |     |    |
| <b>6 a</b>  | 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? . . . . . <b>6 a</b>  |     | X  |
| <b>6 b</b>  | If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . . <b>6 b</b>  |     |    |
| <b>7</b>  | <b>Organizations that may receive deductible contributions under section 170(c).</b>  |     |    |
| <b>7 a</b>  | 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? . . . . . <b>7 a</b>  |     | X  |
| <b>7 b</b>  | If 'Yes,' did the organization notify the donor of the value of the goods or services provided? . . . . . <b>7 b</b>  |     |    |
| <b>7 c</b>  | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . . <b>7 c</b>   |     | X  |
| <b>7 d</b>  | If 'Yes,' indicate the number of Forms 8282 filed during the year . . . . . <b>7 d</b>  |     |    |
| <b>7 e</b>  | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . . <b>7 e</b>  |     | X  |
| <b>7 f</b>  | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . <b>7 f</b>   |     | X  |
| <b>7 g</b>  | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . . <b>7 g</b>   |     |    |
| <b>7 h</b>  | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . . <b>7 h</b>   |     |    |
| <b>8</b>  | <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . . <b>8</b> |     | X  |
| <b>9</b>  | <b>Sponsoring organizations maintaining donor advised funds.</b>  |     |    |
| <b>9 a</b>  | Did the organization make any taxable distributions under section 4966? . . . . . <b>9 a</b>  |     | X  |
| <b>9 b</b>  | Did the organization make a distribution to a donor, donor advisor, or related person? . . . . . <b>9 b</b>   |     | X  |
| <b>10</b>   | <b>Section 501(c)(7) organizations.</b> Enter:  |     |    |
| <b>10 a</b>   | Initiation fees and capital contributions included on Part VIII, line 12. . . . . <b>10 a</b>   |     |    |
| <b>10 b</b>   | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . . <b>10 b</b>   |     |    |
| <b>11</b>   | <b>Section 501(c)(12) organizations.</b> Enter:   |     |    |
| <b>11 a</b>   | Gross income from members or shareholders. . . . . <b>11 a</b>  |     |    |
| <b>11 b</b>   | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . . <b>11 b</b>  |     |    |
| <b>12 a</b>   | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . . <b>12 a</b>   |     |    |
| <b>12 b</b>   | If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year . . . . . <b>12 b</b>   |     |    |
| <b>13</b>   | <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>   |     |    |
| <b>13 a</b>   | Is the organization licensed to issue qualified health plans in more than one state? . . . . . <b>13 a</b>  |     |    |
| <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.          |   |     |    |
| <b>13 b</b>   | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . . <b>13 b</b>   |     |    |
| <b>13 c</b>   | Enter the amount of reserves on hand . . . . . <b>13 c</b>  |     |    |
| <b>14 a</b>   | Did the organization receive any payments for indoor tanning services during the tax year? . . . . . <b>14 a</b>  |     | X  |
| <b>14 b</b>   | If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O . . . . . <b>14 b</b>   |     |    |

Part VI Governance, Management and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year... 10; 1b Enter the number of voting members included in line 1a, above, who are independent... 10; 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee? X; 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? X; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? X; 5 Did the organization become aware during the year of a significant diversion of the organization's assets? X; 6 Did the organization have members or stockholders? X; 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? X; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body? X; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? X; b Each committee with authority to act on behalf of the governing body? X; 9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O X

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? X; 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?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? X; 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. X; 12b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? X; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done X; 13 Did the organization have a written whistleblower policy? X; 14 Did the organization have a written document retention and destruction policy? X; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official X; b Other officers of key employees of the organization X; 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? X; 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 taken steps to safeguard the organization's exempt status with respect to such arrangements?;

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
[ ] Own website [ ] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public 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:
NANCY RIGBY 201 HALL HIGHWAY, CRISFIELD MD 21817-1237 (410) 968-1200

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

| (A)<br>Name and title                        | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |  | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (1) MICHAEL HALL<br>Chairman                 | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (2) WINSLOW PARKER<br>VICE CHAIRMAN          | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (3) PERCY J PURNELL<br>1ST VICE CHAIRMAN     | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (4) JOHN HICKMAN<br>2ND VICE CHAIRMAN        | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (5) PHIL GOLDSBOROUGH<br>DIRECTOR            | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (6) JOHN PHOEBUS<br>DIRECTOR                 | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (7) RUSS BLAKE<br>DIRECTOR                   | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (8) DR VIJAY KARUMBUNATHAN<br>DIRECTOR       | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (9) LESLIE WILSON<br>DIRECTOR                | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (10) SAM DAVIS<br>DIRECTOR                   | 10.00  | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| (11) NOEMIE ESPINOLA SALANG RAMSEY<br>DOCTOR | 40.00  |   |                       |         | X            |                              |        | 214,368.   | 0.  | 0.  |
| (12) SIDNEY BROWN BARNES III<br>DOCTOR       | 40.00  |   |                       |         | X            |                              |        | 248,705.   | 0.  | 0.  |
| (13) VIJAYKUMAR KARUMBUNATHAN<br>DOCTOR      | 40.00  |   |                       |         | X            |                              |        | 186,842.   | 48,466.   | 0.  |
| (14) FRANK GOLDMAN<br>DOCTOR                 | 40.00  |   |                       |         | X            |                              |        | 152,926.   | 0.  | 0.  |

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

| (A)<br>Name and title             | (B)<br>Average hours per week (describe hours for related organizations in Sch O) | (C)<br>Position (do not check more than one box, unless person is both an officer and a director/trustee) |                       |         |              |                              |          | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|-----------------------------------|---|---|-----------------------|---------|--------------|------------------------------|----------|--|---|---|
|                                   |   | Individual trustee or director  | Institutional trustee | Officer | Key employee | Highest compensated employee | Former   |  |   |   |
| (15) MARY LYNNE EVERETT<br>DOCTOR | 40.00   |   |                       |         |              | X                            | 146,734. | 0.   | 0.  |   |
| (16)                              |   |   |                       |         |              |                              |          |  |   |   |
| (17)                              |   |   |                       |         |              |                              |          |  |   |   |
| (18)                              |   |   |                       |         |              |                              |          |  |   |   |
| (19)                              |   |   |                       |         |              |                              |          |  |   |   |
| (20)                              |   |   |                       |         |              |                              |          |  |   |   |
| (21)                              |   |   |                       |         |              |                              |          |  |   |   |
| (22)                              |   |   |                       |         |              |                              |          |  |   |   |
| (23)                              |   |   |                       |         |              |                              |          |  |   |   |
| (24)                              |   |   |                       |         |              |                              |          |  |   |   |
| (25)                              |   |   |                       |         |              |                              |          |  |   |   |

|  |   |          |         |    |
|--|---|----------|---------|----|
| <b>1 b Sub-total</b> . . . . .   | ▶ | 949,575. | 48,466. | 0. |
| <b>c Total from continuation sheets to Part VII, Section A</b> . . . . . | ▶ |          |         |    |
| <b>d Total (add lines 1b and 1c)</b> . . . . .                           | ▶ | 949,575. | 48,466. | 0. |

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 ▶ 5

|  | Yes | No |
|--|-----|----|
| 3 Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual</i> . . . . .                                       | 3   | X  |
| 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   | X  |
| 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   | X  |

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

| (A)<br>Name and business address                               | (B)<br>Description of services | (C)<br>Compensation |
|--|--------------------------------|---------------------|
| SHORE STAFFING 3109 FAIR ISLAND LAND MARION MD 21838           | TEMP AGENCY                    | 178,777.            |
| EMERGENCY SERVICES 100 E CARROLL ST SALISBURY MD 21801         | PROVIDES EMERGENCY SERVICES    | 504,167.            |
| PRONET DBA IMAGING ON CAL 1510 COTNER AVE LOS ANGELES CA 90025 | RADIOLOGY                      | 114,324.            |
|  |                                |                     |
|  |                                |                     |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 3

**Part VIII Statement of Revenue**

|  |   |  | (A)<br>Total revenue | (B)<br>Related or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from tax<br>under sections<br>512, 513, or 514 |  |
|--|---|--|----------------------|--|---|---|--|
| <b>CONTRIBUTIONS, GIFTS, GRANTS<br/>AND OTHER SIMILAR AMOUNTS</b>              | <b>1 a</b> Federated campaigns . . . . .  | <b>1 a</b>   |                      |  |   |   |  |
|  | <b>b</b> Membership dues . . . . .  | <b>1 b</b>   |                      |  |   |   |  |
|  | <b>c</b> Fundraising events . . . . .   | <b>1 c</b>   |                      |  |   |   |  |
|  | <b>d</b> Related organizations . . . . .  | <b>1 d</b>   |                      |  |   |   |  |
|  | <b>e</b> Government grants (contributions) . . .  | <b>1 e</b>   | 1,879,662.           |  |   |   |  |
|  | <b>f</b> All other contributions, gifts, grants, and<br>similar amounts not included above . . .  | <b>1 f</b>   | 7,435.               |  |   |   |  |
|  | <b>g</b> Noncash contributions included in lns 1a-1f: \$  |  |                      |  |   |   |  |
|  | <b>h Total.</b> Add lines 1a-1f . . . . . ▶   |  | 1,887,097.           |  |   |   |  |
| <b>PROGRAM SERVICE REVENUE</b>   | <b>2 a</b> <u>HOSPITAL &amp; NURSING HOME</u>   | <b>Business Code</b><br>622000                                     | 21,789,056.          | 21,789,056.  | 0.                                      | 0.  |  |
|  | <b>b</b> -----  |  |                      |  |   |   |  |
|  | <b>c</b> -----  |  |                      |  |   |   |  |
|  | <b>d</b> -----  |  |                      |  |   |   |  |
|  | <b>e</b> -----  |  |                      |  |   |   |  |
|  | <b>f</b> All other program service revenue . . .  |  |                      |  |   |   |  |
|  | <b>g Total.</b> Add lines 2a-2f . . . . . ▶   |  | 21,789,056.          |  |   |   |  |
| <b>OTHER REVENUE</b>   | <b>3</b> Investment income (including dividends, interest and<br>other similar amounts) . . . . . ▶   |  | 5,289.               | 5,289.   | 0.                                      | 0.  |  |
|  | <b>4</b> Income from investment of tax-exempt bond proceeds . . ▶   |  |                      |  |   |   |  |
|  | <b>5</b> Royalties . . . . . ▶  |  |                      |  |   |   |  |
|  | <b>6 a</b> Gross rents . . . . .  | (i) Real   | (ii) Personal        |  |   |   |  |
|  |   | <b>b</b> Less: rental expenses . . . . .                           |                      |  |   |   |  |
|  |   | <b>c</b> Rental income or (loss) . . . . .                         |                      |  |   |   |  |
|  |   | <b>d</b> Net rental income or (loss) . . . . . ▶                   |                      |  |   |   |  |
|  | <b>7 a</b> Gross amount from sales of<br>assets other than inventory . . . . .  | (i) Securities   | (ii) Other           |  |   |   |  |
|  |   | <b>b</b> Less: cost or other basis<br>and sales expenses . . . . . |                      |  |   |   |  |
|  |   | <b>c</b> Gain or (loss) . . . . .                                  |                      |  |   |   |  |
|  |   | <b>d</b> Net gain or (loss) . . . . . ▶                            |                      |  |   |   |  |
|  | <b>8 a</b> Gross income from fundraising events<br>(not including \$ _____<br>of contributions reported on line 1c).<br>See Part IV, line 18. . . . . | <b>a</b>   |                      |  |   |   |  |
|  |   | <b>b</b> Less: direct expenses . . . . .                           | <b>b</b>             |  |   |   |  |
|  |   | <b>c</b> Net income or (loss) from fundraising events . . . . . ▶  |                      |  |   |   |  |
|  | <b>9 a</b> Gross income from gaming activities.<br>See Part IV, line 19. . . . .  | <b>a</b>   |                      |  |   |   |  |
|  |   | <b>b</b> Less: direct expenses . . . . .                           | <b>b</b>             |  |   |   |  |
|  |   | <b>c</b> Net income or (loss) from gaming activities . . . . . ▶   |                      |  |   |   |  |
| <b>10 a</b> Gross sales of inventory, less returns<br>and allowances . . . . . | <b>a</b>  |  |                      |  |   |   |  |
|  | <b>b</b> Less: cost of goods sold . . . . .   | <b>b</b>   |                      |  |   |   |  |
|  | <b>c</b> Net income or (loss) from sales of inventory . . . . . ▶   |  |                      |  |   |   |  |
| <b>11 a</b> -----  | <b>Miscellaneous Revenue</b>  | <b>Business Code</b>   |                      |  |   |   |  |
|  | <b>b</b> -----  |  |                      |  |   |   |  |
|  | <b>c</b> -----  |  |                      |  |   |   |  |
|  | <b>d</b> All other revenue . . . . .  |  |                      |  |   |   |  |
|  | <b>e Total.</b> Add lines 11a-11d . . . . . ▶   |  |                      |  |   |   |  |
| <b>12 Total revenue.</b> See instructions . . . . . ▶                          |   |  | 23,681,442.          | 21,794,345.  | 0.                                      | 0.  |  |

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.  
 All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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

| <b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>   | <b>(A)</b><br>Total expenses | <b>(B)</b><br>Program service expenses | <b>(C)</b><br>Management and general expenses | <b>(D)</b><br>Fundraising expenses |
|---|------------------------------|--|---|------------------------------------|
| 1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 . . . . .   |                              |  |   |                                    |
| 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 . . . . .  |                              |  |   |                                    |
| 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 . . . . .  | 9,560,697.                   | 9,560,697.                             | 0.  | 0.                                 |
| 8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions) . . . . .  | 147,405.                     | 147,405.                               | 0.  | 0.                                 |
| 9 Other employee benefits . . . . .   | 1,210,843.                   | 1,210,843.                             | 0.  | 0.                                 |
| 10 Payroll taxes . . . . .  | 966,829.                     | 966,829.                               | 0.  | 0.                                 |
| 11 Fees for services (non-employees):   |                              |  |   |                                    |
| a Management . . . . .  |                              |  |   |                                    |
| b Legal . . . . .   | 43,215.                      | 43,215.                                | 0.  | 0.                                 |
| c Accounting . . . . .  | 14,500.                      | 14,500.                                | 0.  | 0.                                 |
| d Lobbying . . . . .  |                              |  |   |                                    |
| e Professional fundraising services. See Part IV, line 17 . . . . .   |                              |  |   |                                    |
| f Investment management fees . . . . .  |                              |  |   |                                    |
| g Other . . . . .   |                              |  |   |                                    |
| 12 Advertising and promotion . . . . .  | 105,150.                     | 105,150.                               | 0.  | 0.                                 |
| 13 Office expenses . . . . .  | 69,907.                      | 69,907.                                | 0.  | 0.                                 |
| 14 Information technology . . . . .   |                              |  |   |                                    |
| 15 Royalties . . . . .  |                              |  |   |                                    |
| 16 Occupancy . . . . .  | 55,360.                      | 55,360.                                | 0.  | 0.                                 |
| 17 Travel . . . . .   | 1,787.                       | 1,787.                                 | 0.  | 0.                                 |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .   |                              |  |   |                                    |
| 19 Conferences, conventions, and meetings . . . . .   | 1,683.                       | 1,683.                                 | 0.  | 0.                                 |
| 20 Interest . . . . .   | 654,042.                     | 654,042.                               | 0.  | 0.                                 |
| 21 Payments to affiliates . . . . .   |                              |  |   |                                    |
| 22 Depreciation, depletion, and amortization . . . . .  | 1,388,824.                   | 1,388,824.                             | 0.  | 0.                                 |
| 23 Insurance . . . . .  | 84,987.                      | 84,987.                                | 0.  | 0.                                 |
| 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 <u>BAD DEBTS</u> . . . . .  | 885,339.                     | 885,339.                               | 0.  | 0.                                 |
| b <u>MED. MALPRACTICE INS</u> . . . . .   | 235,323.                     | 235,323.                               | 0.  | 0.                                 |
| c <u>DIETARY SERVICES</u> . . . . .   | 811,023.                     | 811,023.                               | 0.  | 0.                                 |
| d <u>COLLECTION EXPENSE</u> . . . . .   | 88,673.                      | 88,673.                                | 0.  | 0.                                 |
| e All other expenses . . . . .  | 5,310,931.                   | 5,310,931.                             | 0.  | 0.                                 |
| 25 Total functional expenses. Add lines 1 through 24e. . . . .  | 21,636,518.                  | 21,636,518.                            | 0.  | 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.<br>Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). . . . . |                              |  |   |                                    |

**Part X Balance Sheet**

|                             |  | (A)<br>Beginning of year   |                 | (B)<br>End of year |                 |
|-----------------------------|--|--|-----------------|--------------------|-----------------|
| ASSETS                      | 1  | Cash — non-interest-bearing . . . . .  | 1,469,719.      | 1                  | 3,761,906.      |
|                             | 2  | Savings and temporary cash investments . . . . .   |                 | 2                  |                 |
|                             | 3  | Pledges and grants receivable, net . . . . .   | 58,160.         | 3                  | 38,048.         |
|                             | 4  | Accounts receivable, net . . . . .   | 2,780,564.      | 4                  | 2,324,533.      |
|                             | 5  | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .  |                 | 5                  |                 |
|                             | 6  | Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). . . . . |                 | 6                  |                 |
|                             | 7  | Notes and loans receivable, net . . . . .  |                 | 7                  |                 |
|                             | 8  | Inventories for sale or use . . . . .  | 386,453.        | 8                  | 390,778.        |
|                             | 9  | Prepaid expenses and deferred charges . . . . .  | 52,047.         | 9                  | 113,687.        |
|                             | 10a  | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .  | 10a 28,928,557. |                    |                 |
|                             | b  | Less: accumulated depreciation . . . . .   | 10b 9,278,661.  | 20,587,828.        | 10c 19,649,896. |
|                             | 11   | Investments — publicly traded securities . . . . .   |                 | 11                 |                 |
|                             | 12   | Investments — other securities. See Part IV, line 11 . . . . .   |                 | 12                 |                 |
|                             | 13   | Investments — program-related. See Part IV, line 11 . . . . .  |                 | 13                 |                 |
|                             | 14   | Intangible assets . . . . .  |                 | 14                 |                 |
|                             | 15   | Other assets. See Part IV, line 11 . . . . .   |                 | 15                 |                 |
| 16                          | <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .   | 25,334,771.  | 16              | 26,278,848.        |                 |
| LIABILITIES                 | 17   | Accounts payable and accrued expenses. . . . .   | 3,557,426.      | 17                 | 2,723,491.      |
|                             | 18   | Grants payable. . . . .  |                 | 18                 |                 |
|                             | 19   | Deferred revenue . . . . .   |                 | 19                 |                 |
|                             | 20   | Tax-exempt bond liabilities . . . . .  |                 | 20                 |                 |
|                             | 21   | Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .  |                 | 21                 |                 |
|                             | 22   | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .   |                 | 22                 |                 |
|                             | 23   | Secured mortgages and notes payable to unrelated third parties . . . . .   | 11,058,174.     | 23                 | 10,791,262.     |
|                             | 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 . . . . .  |                 | 25                 |                 |
|                             | 26   | <b>Total liabilities.</b> Add lines 17 through 25 . . . . .  | 14,615,600.     | 26                 | 13,514,753.     |
| NET ASSETS OR FUND BALANCES | <b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29 and lines 33 and 34.</b> |  |                 |                    |                 |
|                             | 27   | Unrestricted net assets . . . . .  | 10,580,910.     | 27                 | 12,764,095.     |
|                             | 28   | Temporarily restricted net assets . . . . .  | 138,261.        | 28                 |                 |
|                             | 29   | Permanently restricted net assets . . . . .  |                 | 29                 |                 |
|                             | <b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>                         |  |                 |                    |                 |
|                             | 30   | Capital stock or trust principal, or current funds . . . . .   |                 | 30                 |                 |
|                             | 31   | Paid-in or capital surplus, or land, building, or equipment fund . . . . .   |                 | 31                 |                 |
|                             | 32   | Retained earnings, endowment, accumulated income, or other funds . . . . .   |                 | 32                 |                 |
|                             | 33   | <b>Total net assets or fund balances.</b> . . . . .  | 10,719,171.     | 33                 | 12,764,095.     |
| 34                          | <b>Total liabilities and net assets/fund balances</b> . . . . .  | 25,334,771.  | 34              | 26,278,848.        |                 |

BAA

Form 990 (2011)

**Part XI Reconciliation of Net Assets**

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

|   |  |   |             |
|---|--|---|-------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12)  | 1 | 23,681,442. |
| 2 | Total expenses (must equal Part IX, column (A), line 25)   | 2 | 21,636,518. |
| 3 | Revenue less expenses. Subtract line 2 from line 1   | 3 | 2,044,924.  |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                      | 4 | 10,719,171. |
| 5 | Other changes in net assets or fund balances (explain in Schedule O)   | 5 |             |
| 6 | Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | 12,764,095. |

**Part XII Financial Statements and Reporting**

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

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

BAA

Form 990 (2011)

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

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**  
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

OMB No. 1545-0047

**2011**

**Open to Public Inspection**

|  |   |
|--|---|
| Name of the organization<br><b>MCCREADY FOUNDATION INC</b> | Employer identification number<br><b>52-0607921</b> |
|--|---|

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

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

- 1  A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions — subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III — Functionally integrated
  - d  Type III — Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

|  | Yes               | No |
|--|-------------------|----|
| (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? . . . . . | <b>11 g (i)</b>   |    |
| (ii) A family member of a person described in (i) above? . . . . .   | <b>11 g (ii)</b>  |    |
| (iii) A 35% controlled entity of a person described in (i) or (ii) above? . . . . .  | <b>11 g (iii)</b> |    |

h Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-9 above or IRC section (see instructions)) | (iv) Is the organization in column (i) listed in your governing document? |    | (v) Did you notify the organization in column (i) of your support? |    | (vi) Is the organization in column (i) organized in the U.S.? |    | (vii) Amount of support |
|------------------------------------|----------|---|---|----|--|----|---|----|-------------------------|
|                                    |          |   | Yes   | No | Yes  | No | Yes   | No |                         |
| (A)                                |          |   |   |    |  |    |   |    |                         |
| (B)                                |          |   |   |    |  |    |   |    |                         |
| (C)                                |          |   |   |    |  |    |   |    |                         |
| (D)                                |          |   |   |    |  |    |   |    |                         |
| (E)                                |          |   |   |    |  |    |   |    |                         |
| <b>Total</b>                       |          |   |   |    |  |    |   |    |                         |

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

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2007, (b) 2008, (c) 2009, (d) 2010, (e) 2011, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Percentage, %. Rows include: 14 Public support percentage for 2011; 15 Public support percentage from 2010 Schedule A, Part II, line 14; 16a 33-1/3% support test - 2011; 16b 33-1/3% support test - 2010; 17a 10%-facts-and-circumstances test - 2011; 17b 10%-facts-and-circumstances test - 2010; 18 Private foundation.

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I 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 yr beginning in) ▶   | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>1</b> Gifts, grants, contributions and membership fees received. (Do not include any 'unusual grants'.)  |          |          |          |          |          |           |
| <b>2</b> 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 |          |          |          |          |          |           |
| <b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513   |          |          |          |          |          |           |
| <b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf  |          |          |          |          |          |           |
| <b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge.   |          |          |          |          |          |           |
| <b>6 Total.</b> Add lines 1 through 5   |          |          |          |          |          |           |
| <b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons  |          |          |          |          |          |           |
| <b>b</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           |          |          |          |          |          |           |
| <b>c</b> Add lines 7a and 7b  |          |          |          |          |          |           |
| <b>8 Public support</b> (Subtract line 7c from line 6.)   |          |          |          |          |          |           |

**Section B. Total Support**

| Calendar year (or fiscal yr beginning in) ▶   | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) 2011 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| <b>9</b> Amounts from line 6  |          |          |          |          |          |           |
| <b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources |          |          |          |          |          |           |
| <b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                          |          |          |          |          |          |           |
| <b>c</b> Add lines 10a and 10b  |          |          |          |          |          |           |
| <b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on     |          |          |          |          |          |           |
| <b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)                                 |          |          |          |          |          |           |
| <b>13 Total support.</b> (Add lns 9, 10c, 11, and 12.)  |          |          |          |          |          |           |

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

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

|  |           |   |
|--|-----------|---|
| <b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f)) | <b>15</b> | % |
| <b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15.                     | <b>16</b> | % |

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

|   |           |   |
|---|-----------|---|
| <b>17</b> Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f)) | <b>17</b> | % |
| <b>18</b> Investment income percentage from 2010 Schedule A, Part III, line 17                        | <b>18</b> | % |

**19a 33-1/3% support tests — 2011.** 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 — 2010.** 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.



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, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

Employer identification number

MCCREADY FOUNDATION INC

52-0607921

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.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two questions about donor advisement.

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

Form for Part II Conservation Easements. Includes questions about purpose of easements, total acreage, number of easements, and monitoring details. Includes a table for 'Held at the End of the Tax Year'.

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.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting requirements and amounts for revenues and assets.

**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 XIV.

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

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

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

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

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

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

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

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

|  | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1 a Beginning of year balance . . . . .                    | 1,081,480.       | 1,081,480.     | 971,468.           | 878,512.             |                     |
| b Contributions . . . . .                                  |                  |                | 103,357.           | 85,144.              |                     |
| c Net investment earnings, gains, and losses . . . . .     |                  |                | 6,655.             | 7,812.               |                     |
| d Grants or scholarships . . . . .                         |                  |                |                    |                      |                     |
| e Other expenditures for facilities and programs . . . . . | 496,959.         |                |                    |                      |                     |
| f Administrative expenses . . . . .                        |                  |                |                    |                      |                     |
| g End of year balance . . . . .                            | 584,521.         | 1,081,480.     | 1,081,480.         | 971,468.             |                     |

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 ▶ \_\_\_\_\_ %
- c Temporarily restricted endowment ▶ \_\_\_\_\_ %

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

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

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

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

**Part VI Land, Buildings, and Equipment.** 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 |
|------------------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1 a Land . . . . .                 | 79,773.                              |                                 |                              | 79,773.        |
| b Buildings . . . . .              | 21,715,291.                          |                                 | 5,560,541.                   | 16,154,750.    |
| c Leasehold improvements . . . . . |                                      |                                 |                              |                |
| d Equipment . . . . .              | 7,133,493.                           |                                 | 3,718,120.                   | 3,415,373.     |
| e Other . . . . .                  |                                      |                                 |                              |                |

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶ 19,649,896.

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

| (a) Description of security or category<br>(including name of security)          | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|--|----------------|--|
| (1) Financial derivatives  |                |  |
| (2) Closely-held equity interests  |                |  |
| (3) Other  |                |  |
| (A) -----  |                |  |
| (B) -----  |                |  |
| (C) -----  |                |  |
| (D) -----  |                |  |
| (E) -----  |                |  |
| (F) -----  |                |  |
| (G) -----  |                |  |
| (H) -----  |                |  |
| (I) -----  |                |  |
| <b>Total.</b> (Column (b) must equal Form 990 Part X, column (B) line 12.) . . ▶ |                |  |

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

| (a) Description of investment type  | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|---|----------------|--|
| (1)   |                |  |
| (2)   |                |  |
| (3)   |                |  |
| (4)   |                |  |
| (5)   |                |  |
| (6)   |                |  |
| (7)   |                |  |
| (8)   |                |  |
| (9)   |                |  |
| (10)  |                |  |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, column (B) line 13.) . . ▶ |                |  |

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

| (a) Description  | (b) Book value |
|--|----------------|
| (1)  |                |
| (2)  |                |
| (3)  |                |
| (4)  |                |
| (5)  |                |
| (6)  |                |
| (7)  |                |
| (8)  |                |
| (9)  |                |
| (10)   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, column (B), line 15.) . . . . . ▶ |                |

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

| (a) Description of liability  | (b) Book value |
|---|----------------|
| (1) Federal income taxes  |                |
| (2)   |                |
| (3)   |                |
| (4)   |                |
| (5)   |                |
| (6)   |                |
| (7)   |                |
| (8)   |                |
| (9)   |                |
| (10)  |                |
| (11)  |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, column (B) line 25.) . . . . . ▶ |                |

2 FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

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

|    |  |  |             |
|----|--|--|-------------|
| 1  | Total revenue (Form 990, Part VIII, column (A), line 12)                                 |  | 23,681,442. |
| 2  | Total expenses (Form 990, Part IX, column (A), line 25)                                  |  | 21,636,518. |
| 3  | Excess or (deficit) for the year. Subtract line 2 from line 1                            |  | 2,044,924.  |
| 4  | Net unrealized gains (losses) on investments   |  |             |
| 5  | Donated services and use of facilities   |  |             |
| 6  | Investment expenses  |  |             |
| 7  | Prior period adjustments   |  |             |
| 8  | Other (Describe in Part XIV.)  |  |             |
| 9  | Total adjustments (net). Add lines 4 through 8   |  |             |
| 10 | Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9 |  | 2,044,924.  |

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

|   |   |            |            |             |
|---|---|------------|------------|-------------|
| 1 | Total revenue, gains, and other support per audited financial statements                        |            | <b>1</b>   | 23,681,442. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12:                             |            |            |             |
|   | a Net unrealized gains on investments   | <b>2 a</b> |            |             |
|   | b Donated services and use of facilities  | <b>2 b</b> |            |             |
|   | c Recoveries of prior year grants   | <b>2 c</b> |            |             |
|   | d Other (Describe in Part XIV.)   | <b>2 d</b> |            |             |
|   | e Add lines <b>2 a</b> through <b>2 d</b>   |            | <b>2 e</b> |             |
| 3 | Subtract line <b>2 e</b> from line 1  |            | <b>3</b>   | 23,681,442. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1:                            |            |            |             |
|   | a Investment expenses not included on Form 990, Part VIII, line 7b                              | <b>4 a</b> |            |             |
|   | b Other (Describe in Part XIV.)   | <b>4 b</b> |            |             |
|   | c Add lines <b>4 a</b> and <b>4 b</b>   |            | <b>4 c</b> |             |
| 5 | Total revenue. Add lines <b>3</b> and <b>4 c</b> . (This must equal Form 990, Part I, line 12.) |            | <b>5</b>   | 23,681,442. |

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

|   |  |            |            |             |
|---|--|------------|------------|-------------|
| 1 | Total expenses and losses per audited financial statements                                       |            | <b>1</b>   | 21,636,518. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25:                                |            |            |             |
|   | a Donated services and use of facilities   | <b>2 a</b> |            |             |
|   | b Prior year adjustments   | <b>2 b</b> |            |             |
|   | c Other losses   | <b>2 c</b> |            |             |
|   | d Other (Describe in Part XIV.)  | <b>2 d</b> |            |             |
|   | e Add lines <b>2 a</b> through <b>2 d</b>  |            | <b>2 e</b> |             |
| 3 | Subtract line <b>2 e</b> from line 1   |            | <b>3</b>   | 21,636,518. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1:                               |            |            |             |
|   | a Investment expenses not included on Form 990, Part VIII, line 7b                               | <b>4 a</b> |            |             |
|   | b Other (Describe in Part XIV.)  | <b>4 b</b> |            |             |
|   | c Add lines <b>4 a</b> and <b>4 b</b>  |            | <b>4 c</b> |             |
| 5 | Total expenses. Add lines <b>3</b> and <b>4 c</b> . (This must equal Form 990, Part I, line 18.) |            | <b>5</b>   | 21,636,518. |

**Part XIV Supplemental Information**

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

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**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2011**

**Open to Public  
Inspection**

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

MCCREADY FOUNDATION INC

Employer identification number

52-0607921

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

|   | Yes                                 | No                                  |
|---|-------------------------------------|-------------------------------------|
| <b>1a</b> Did the organization have a financial assistance policy during the tax year? If 'No,' skip to question 6a . . . . .   | <input checked="" type="checkbox"/> |                                     |
| <b>b</b> If 'Yes,' was it a written policy? . . . . .   | <input checked="" type="checkbox"/> |                                     |
| <b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to the various hospital facilities during the tax year.<br><input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities<br><input type="checkbox"/> Generally tailored to individual hospital facilities   |                                     |                                     |
| <b>3</b> 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.<br><b>a</b> Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care?<br>If 'Yes,' indicate which of the following was the FPG family income limit for eligibility for free care: . . . . .<br><input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % | <input checked="" type="checkbox"/> |                                     |
| <b>b</b> Did the organization use FPG to determine eligibility for providing <i>discounted</i> care?<br>If 'Yes,' indicate which of the following was the family income limit for eligibility for discounted care: . . . . .<br><input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %   | <input checked="" type="checkbox"/> |                                     |
| <b>c</b> If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.  |                                     |                                     |
| <b>4</b> 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'? . . . . .   | <input checked="" type="checkbox"/> |                                     |
| <b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .   | <input checked="" type="checkbox"/> |                                     |
| <b>b</b> If 'Yes,' did the organization's financial assistance expenses exceed the budgeted amount? . . . . .   |                                     | <input checked="" type="checkbox"/> |
| <b>c</b> 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? . . . . .   |                                     | <input checked="" type="checkbox"/> |
| <b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .  | <input checked="" type="checkbox"/> |                                     |
| <b>b</b> If 'Yes,' did the organization make it available to the public? . . . . .  | <input checked="" type="checkbox"/> |                                     |
| Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.  |                                     |                                     |

**7 Financial Assistance and Certain Other Community Benefits at Cost**

| <b>Financial Assistance and Means-Tested Government Programs</b>   | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| <b>a</b> Financial Assistance at cost (from Worksheet 1) . . . . .   | 1   | 358                           | 762,092.                            |                               | 762,092.                          | 3.52                         |
| <b>b</b> Medicaid (from Worksheet 3, column a) . . . . .   |   |                               |                                     |                               |                                   |                              |
| <b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)                        |   |                               |                                     |                               |                                   |                              |
| <b>d Total</b> Financial Assistance and Means-Tested Government Programs . . . . .                           | 1   | 358                           | 762,092.                            |                               | 762,092.                          | 3.52                         |
| <b>Other Benefits</b>  |   |                               |                                     |                               |                                   |                              |
| <b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . . . . . | 3   | 400                           | 38,886.                             |                               | 38,886.                           | 0.18                         |
| <b>f</b> Health professions education (from Worksheet 5) . . . . .   |   |                               |                                     |                               |                                   |                              |
| <b>g</b> Subsidized health services (from Worksheet 6) . . . . .   | 3   | 1,184                         | 114,090.                            |                               | 114,090.                          | 0.53                         |
| <b>h</b> Research (from Worksheet 7) . . . . .   |   |                               |                                     |                               |                                   |                              |
| <b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .                   |   |                               |                                     |                               |                                   |                              |
| <b>j Total.</b> Other Benefits . . . . .   | 6   | 1,584                         | 152,976.                            |                               | 152,976.                          | 0.71                         |
| <b>k Total.</b> Add line 7d and 7j . . . . .   | 7   | 1,942                         | 915,068.                            |                               | 915,068.                          | 4.23                         |

**Part II Community 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 |
|---|---|-------------------------------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 1 Physical improvements and housing                                   |   |                               |                                      |                               |                                    |                              |
| 2 Economic development . . . . .                                      |   |                               |                                      |                               |                                    |                              |
| 3 Community support . . . . .   | 2   | 3,500                         |                                      |                               |                                    |                              |
| 4 Environmental improvements . . .                                    |   |                               |                                      |                               |                                    |                              |
| 5 Leadership development and training for community members . . . . . | 2   | 84                            |                                      |                               |                                    |                              |
| 6 Coalition building . . . . .  | 1   | 806                           |                                      |                               |                                    |                              |
| 7 Community health improvement advocacy . . . . .                     | 1   | 0                             |                                      |                               |                                    |                              |
| 8 Workforce development . . . . .                                     |   |                               |                                      |                               |                                    |                              |
| 9 Other . . . . .   | 1   | 40                            |                                      |                               |                                    |                              |
| 10 Total . . . . .  | 7   | 4,430                         |                                      |                               |                                    |                              |

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

|  |   |          |  |  |  |  |     |    |
|--|---|----------|--|--|--|--|-----|----|
| 1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .   |   |          |  |  |  |  | Yes | No |
| 2 Enter the amount of the organization's bad debt expense . . . . .  | 2 | 885,339. |  |  |  |  |     |    |
| 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy . . . . .   | 3 | 44,267.  |  |  |  |  |     |    |
| 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit. |   |          |  |  |  |  |     |    |

**Section B. Medicare**

|  |   |             |  |  |  |  |  |  |
|--|---|-------------|--|--|--|--|--|--|
| 5 Enter total revenue received from Medicare (including DSH and IME) . . . . .   | 5 | 10,479,663. |  |  |  |  |  |  |
| 6 Enter Medicare allowable costs of care relating to payments on line 5. . . . .   | 6 | 9,641,290.  |  |  |  |  |  |  |
| 7 Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .  | 7 | 838,373.    |  |  |  |  |  |  |
| 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:<br><input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other |   |             |  |  |  |  |  |  |

**Section C. Collection Practices**

|  |    |  |  |  |  |  |   |  |
|--|----|--|--|--|--|--|---|--|
| 9a Did the organization have a written debt collection policy during the tax year? . . . . .   | 9a |  |  |  |  |  | X |  |
| 9b If '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 . . . . . | 9b |  |  |  |  |  | X |  |

**Part IV Management Companies and Joint Ventures (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                  |   |  |  |   |
| 2                  |   |  |  |   |
| 3                  |   |  |  |   |
| 4                  |   |  |  |   |
| 5                  |   |  |  |   |
| 6                  |   |  |  |   |
| 7                  |   |  |  |   |
| 8                  |   |  |  |   |
| 9                  |   |  |  |   |
| 10                 |   |  |  |   |
| 11                 |   |  |  |   |
| 12                 |   |  |  |   |
| 13                 |   |  |  |   |



**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: MCCREADY FOUNDATION INC

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

|  | Yes | No |
|--|-----|----|
| <b>Community Health Needs Assessment</b> (Lines 1 through 7 are optional for tax year 2011)  |     |    |
| 1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If 'No,' skip to line 8 . . . . .   | 1   | X  |
| If 'Yes,' indicate what the Needs Assessment describes (check all that apply):   |     |    |
| a <input type="checkbox"/> A definition of the community served by the hospital facility   |     |    |
| b <input checked="" type="checkbox"/> Demographics of the community  |     |    |
| c <input checked="" 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 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 checked="" type="checkbox"/> Other (describe in Part VI)  |     |    |
| 2 Indicate the tax year the hospital facility last conducted a Needs Assessment: <u>2009</u>   |     |    |
| 3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? 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   | X  |
| 4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If 'Yes,' list the other hospital facilities in Part VI . . . . .   | 4   | X  |
| 5 Did the hospital facility make its Needs Assessment widely available to the public? . . . . .  | 5   | X  |
| If 'Yes,' indicate how the Needs Assessment was made widely available (check all that apply):  |     |    |
| a <input checked="" type="checkbox"/> Hospital facility's website  |     |    |
| b <input checked="" type="checkbox"/> Available upon request from the hospital facility  |     |    |
| c <input type="checkbox"/> Other (describe in Part VI)   |     |    |
| 6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):  |     |    |
| a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community  |     |    |
| b <input checked="" type="checkbox"/> Execution of the implementation strategy   |     |    |
| c <input checked="" type="checkbox"/> Participation in the development of a community-wide community benefit plan  |     |    |
| d <input checked="" type="checkbox"/> Participation in the execution of a community-wide community benefit plan  |     |    |
| e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans  |     |    |
| f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment   |     |    |
| g <input checked="" 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 Needs Assessment? If 'No,' explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .  | 7   |    |
| <b>Financial Assistance Policy</b>   |     |    |
| Did the hospital facility have in place during the tax year a written financial assistance policy that:  |     |    |
| 8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? . . . . .   | 8   | X  |
| 9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . .  | 9   | X  |
| If 'Yes,' indicate the FPG family income limit for eligibility for free care: <u>200</u> %   |     |    |
| If 'No,' explain in Part VI the criteria the hospital facility used.   |     |    |

**Part V Facility Information (continued)**

Copy 1 of 1

|           |  | Yes | No |
|-----------|--|-----|----|
| <b>10</b> | Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . .  | X   |    |
|           | If 'Yes,' indicate the FPG family income limit for eligibility for discounted care: <u>  350  </u> %                       |     |    |
|           | If 'No,' explain in Part VI the criteria the hospital facility used.   |     |    |
| <b>11</b> | Explained the basis for calculating amounts charged to patients? . . . . .   | X   |    |
|           | If 'Yes,' indicate the factors used in determining such amounts (check all that apply):                                    |     |    |
| a         | <input checked="" type="checkbox"/> Income level   |     |    |
| b         | <input type="checkbox"/> Asset level   |     |    |
| c         | <input type="checkbox"/> Medical indigency   |     |    |
| d         | <input type="checkbox"/> Insurance status  |     |    |
| e         | <input type="checkbox"/> Uninsured discount  |     |    |
| f         | <input type="checkbox"/> Medicaid/Medicare   |     |    |
| g         | <input type="checkbox"/> State regulation  |     |    |
| h         | <input type="checkbox"/> Other (describe in Part VI)   |     |    |
| <b>12</b> | Explained the method for applying for financial assistance? . . . . .  | X   |    |
| <b>13</b> | Included measures to publicize the policy within the community served by the hospital facility? . . . . .                  | X   |    |
|           | If 'Yes,' indicate how the hospital facility publicized the policy (check all that apply):                                 |     |    |
| a         | <input checked="" 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 checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms      |     |    |
| d         | <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices                    |     |    |
| e         | <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility |     |    |
| f         | <input checked="" type="checkbox"/> The policy was available on request  |     |    |
| g         | <input type="checkbox"/> Other (describe in Part VI)   |     |    |

**Billing and Collections**

|           |   |   |  |
|-----------|---|---|--|
| <b>14</b> | 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? . . . . .   | X |  |
| <b>15</b> | 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 patient's eligibility under the facility's FAP: |   |  |
| a         | <input checked="" type="checkbox"/> Reporting to credit agency  |   |  |
| b         | <input checked="" type="checkbox"/> Lawsuits  |   |  |
| c         | <input type="checkbox"/> Liens on residences  |   |  |
| d         | <input type="checkbox"/> Body attachments   |   |  |
| e         | <input type="checkbox"/> Other similar actions (describe in Part VI)  |   |  |
| <b>16</b> | Did the hospital facility or an authorized a third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . .             | X |  |
|           | If 'Yes,' check all actions in which the hospital facility or a third party engaged:  |   |  |
| a         | <input checked="" type="checkbox"/> Reporting to credit agency  |   |  |
| b         | <input checked="" type="checkbox"/> Lawsuits  |   |  |
| c         | <input type="checkbox"/> Liens on residences  |   |  |
| d         | <input type="checkbox"/> Body attachments   |   |  |
| e         | <input type="checkbox"/> Other similar actions (describe in Part VI)  |   |  |
| <b>17</b> | Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply)  |   |  |
| a         | <input checked="" type="checkbox"/> Notified patients of the financial assistance policy on admission   |   |  |
| b         | <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge  |   |  |
| c         | <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills  |   |  |
| d         | <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy   |   |  |
| e         | <input type="checkbox"/> Other (describe in Part VI)  |   |  |

**Part V Facility Information (continued)**

**Policy Relating to Emergency Medical Care**

|   |    | Yes | No |
|---|----|-----|----|
| <b>18</b> 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? . . . . . | 18 | X   |    |
| If 'No,' indicate why:  |    |     |    |
| <b>a</b> <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions   |    |     |    |
| <b>b</b> <input type="checkbox"/> The hospital facility's policy was not in writing   |    |     |    |
| <b>c</b> <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)   |    |     |    |
| <b>d</b> <input checked="" type="checkbox"/> Other (describe in Part VI)  |    |     |    |

**Individuals Eligible for Financial Assistance**

|  |    |  |   |
|--|----|--|---|
| <b>19</b> 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.   |    |  |   |
| <b>a</b> <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged  |    |  |   |
| <b>b</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  |    |  |   |
| <b>c</b> <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged   |    |  |   |
| <b>d</b> <input checked="" type="checkbox"/> Other (describe in Part VI)   |    |  |   |
| <b>20</b> Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and 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? . . . . . | 20 |  | X |
| If 'Yes,' explain in Part VI.  |    |  |   |
| <b>21</b> Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient? . . . . .  | 21 |  | X |
| If 'Yes,' explain in Part VI.  |    |  |   |



Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions. Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
2 Needs assessment. Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
3 Patient education of eligibility for assistance. Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
4 Community information. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
5 Promotion of community health. Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
6 Affiliated health care system. If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
7 State filing of community benefit report. If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Pt I Line 3c N/A

Pt III Line 4 BAD DEBTS ARE REPORTED AT COST USING THE RATIO OF PATIENT CARE COST TO CHARGES AS DETERMINED USING IRS FORM 990, SCHEDULE H, WORKSHEET 2. THE AMOUNT OF BAD DEBT ATTRIBUTABLE TO CHARITY CARE IS DETERMINED BY CALCULATING THE PERCENTAGE OF GROSS PATIENT CHARGES WRITTEN OFF FOR THE CHARITY ALLOWANCES MULTIPLIED BY THE TOTAL BAD DEBT EXPENSE.

Pt III Line 8 COST TO CHARGE RATIO AS USED ON STATE OF MARYLAND HSCRC ANNUAL REPORT.

Pt III Line 9b IF AT ANY POINT IN THE COLLECTION PROCESS IT IS DETERMINED THAT A PATIENT MAY QUALIFY FOR FINANCIAL ASSISTANCE NO FURTHER ACTION WILL BE TAKEN UNTIL AN ELIGIBILITY DETERMINATION IS MADE.

Pt V Sec B 1j MCCREADY'S STAFF MEMBERS MEET WITH LOCAL SCHOOLS AND HEALTH DEPARTMENTS REGULARLY TO DISCUSS HEALTH NEEDS IN THE LOCAL COMMUNITY. IN 2005, THE MCCREADY FOUNDATION WAS INVOLVED WITH A CONSORTIUM OF AREA HEALTH CARE PROVIDERS WHICH INCLUDED ALL THREE AREA HOSPITALS (MCCREADY FOUNDATION, PENINSULA REGIONAL MEDICAL CENTER AND ATLANTIC GENERAL HOSPITAL), LOCAL

See Schedule H (Form 990) - Part VI - Supplemental Information (Continuation Sheet)

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

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

**2011**

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

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization

Employer identification number

MCCREADY FOUNDATION INC

52-0607921

**Part I Questions Regarding Compensation**

|   | Yes   | No   |  |  |   |   |   |  |  |  |
|---|---|--|--|--|---|---|---|--|--|--|
| <p><b>1 a</b> 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.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input checked="" type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table> | <input type="checkbox"/> First-class or charter travel                              | <input type="checkbox"/> Housing allowance or residence for personal use | <input type="checkbox"/> Travel for companions               | <input type="checkbox"/> Payments for business use of personal residence | <input checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees              | <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |  |  |
| <input type="checkbox"/> First-class or charter travel  | <input type="checkbox"/> Housing allowance or residence for personal use            |  |  |  |   |   |   |  |  |  |
| <input type="checkbox"/> Travel for companions  | <input type="checkbox"/> Payments for business use of personal residence            |  |  |  |   |   |   |  |  |  |
| <input checked="" type="checkbox"/> Tax indemnification and gross-up payments   | <input type="checkbox"/> Health or social club dues or initiation fees              |  |  |  |   |   |   |  |  |  |
| <input type="checkbox"/> Discretionary spending account   | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)            |  |  |  |   |   |   |  |  |  |
| <p><b>b</b> If any of the boxes on 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 . . . . .</p>  | <b>1 b</b>  | X  |  |  |   |   |   |  |  |  |
| <p><b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? . . . . .</p>  | <b>2</b>  | X  |  |  |   |   |   |  |  |  |
| <p><b>3</b> 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. Explain in Part III.</p> <table border="0"> <tr> <td><input type="checkbox"/> Compensation committee</td> <td><input type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input type="checkbox"/> Independent compensation consultant</td> <td><input checked="" type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>  | <input type="checkbox"/> Compensation committee                                     | <input type="checkbox"/> Written employment contract                     | <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study         | <input type="checkbox"/> Form 990 of other organizations                      | <input checked="" type="checkbox"/> Approval by the board or compensation committee |   |  |  |  |
| <input type="checkbox"/> Compensation committee   | <input type="checkbox"/> Written employment contract                                |  |  |  |   |   |   |  |  |  |
| <input type="checkbox"/> Independent compensation consultant  | <input checked="" type="checkbox"/> Compensation survey or study                    |  |  |  |   |   |   |  |  |  |
| <input type="checkbox"/> Form 990 of other organizations  | <input checked="" type="checkbox"/> Approval by the board or compensation committee |  |  |  |   |   |   |  |  |  |
| <p><b>4</b> 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:</p> <p><b>a</b> Receive a severance payment or change-of-control payment? . . . . .</p> <p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . . .</p> <p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? . . . . .</p> <p>If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>   | <b>4 a</b>  | X  |  |  |   |   |   |  |  |  |
|   | <b>4 b</b>  | X  |  |  |   |   |   |  |  |  |
|   | <b>4 c</b>  | X  |  |  |   |   |   |  |  |  |
| <p><b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b></p>   |   |  |  |  |   |   |   |  |  |  |
| <p><b>5</b> 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:</p> <p><b>a</b> The organization? . . . . .</p> <p><b>b</b> Any related organization? . . . . .</p> <p>If 'Yes' to line 5a or 5b, describe in Part III.</p>  | <b>5 a</b>  | X  |  |  |   |   |   |  |  |  |
|   | <b>5 b</b>  | X  |  |  |   |   |   |  |  |  |
| <p><b>6</b> 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:</p> <p><b>a</b> The organization? . . . . .</p> <p><b>b</b> Any related organization? . . . . .</p> <p>If 'Yes' to line 6a or 6b, describe in Part III.</p>  | <b>6 a</b>  | X  |  |  |   |   |   |  |  |  |
|   | <b>6 b</b>  | X  |  |  |   |   |   |  |  |  |
| <p><b>7</b> 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 . . . . .</p>  | <b>7</b>  | X  |  |  |   |   |   |  |  |  |
| <p><b>8</b> 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 . . . . .</p>   | <b>8</b>  | X  |  |  |   |   |   |  |  |  |
| <p><b>9</b> If 'Yes' to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? . . . . .</p>  | <b>9</b>  |  |  |  |   |   |   |  |  |  |

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

Schedule J (Form 990) 2011

**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 columns (D) and (E) amounts for that individual.

| (A) Name                        |      | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                       |                                     | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported as deferred in prior Form 990 |
|---------------------------------|------|--|---------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
|                                 |      | (i) Base compensation                              | (ii) Bonus and incentive compensation | (iii) Other reportable compensation |  |                         |                                 |   |
| 1 NOEMIE ESPINOLA SALANG RAMSEY | (i)  | 214,368.   | 0.                                    | 0.                                  | 0.   | 0.                      | 214,368.                        | 0.  |
|                                 | (ii) | 0.   | 0.                                    | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 2 SIDNEY BROWN BARNES III       | (i)  | 248,705.   | 0.                                    | 0.                                  | 0.   | 0.                      | 248,705.                        | 0.  |
|                                 | (ii) | 0.   | 0.                                    | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 3 VIJAYKUMAR KARUMBUNATHAN      | (i)  | 235,308.   | 0.                                    | 0.                                  | 0.   | 0.                      | 235,308.                        | 0.  |
|                                 | (ii) | 0.   | 0.                                    | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 4 FRANK GOLDMAN                 | (i)  | 152,926.   | 0.                                    | 0.                                  | 0.   | 0.                      | 152,926.                        | 0.  |
|                                 | (ii) | 0.   | 0.                                    | 0.                                  | 0.   | 0.                      | 0.                              | 0.  |
| 5                               | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 6                               | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 7                               | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 8                               | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 9                               | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 10                              | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 11                              | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 12                              | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 13                              | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 14                              | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 15                              | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |
| 16                              | (i)  |  |                                       |                                     |  |                         |                                 |   |
|                                 | (ii) |  |                                       |                                     |  |                         |                                 |   |



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

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

OMB No. 1545-0047

**2011**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

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

Name of the organization

Employer identification number

MCCREADY FOUNDATION INC

52-0607921

Pt VI, Line 11a THE BOARD REVIEWS THE 990 PRIOR TO FILING.

Pt VI, Line 12c ANY ISSUES WHICH COULD CAUSE A CONFLICT OF INTEREST

IS REVIEWED BY THE BOARD WITH THE EXCLUSION OF THE

AFFECTED PARTY.

Pt VI, Line 19 UPON REQUEST.

Pt XII, Line 2c THE BOARD OVERSEES THE AUDIT REVIEW PROCESS.

Form **8879-EO**

# IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2011, or fiscal year beginning Jul 1, 2011, and ending Jun 30, 2012.

▶ **Do not send to the IRS. Keep for your records.**  
▶ **See instructions.**

# 2011

Department of the Treasury  
Internal Revenue Service

Name of exempt organization

MCCREADY FOUNDATION INC

Employer identification number

52-0607921

Name and title of officer

NANCY RIGBY

CFO

## Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a**, **2a**, **3a**, **4a**, or **5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b**, **2b**, **3b**, **4b**, or **5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

|  |  |                               |
|--|--|-------------------------------|
| <b>1 a</b> Form 990 check here . . . ▶ <input checked="" type="checkbox"/> | <b>b Total revenue</b> , if any (Form 990, Part VIII, column (A), line 12) . . . . . | <b>1 b</b> <u>23,681,442.</u> |
| <b>2 a</b> Form 990-EZ check here . . . ▶ <input type="checkbox"/>         | <b>b Total revenue</b> , if any (Form 990-EZ, line 9) . . . . .                      | <b>2 b</b> _____              |
| <b>3 a</b> Form 1120-POL check here . . . ▶ <input type="checkbox"/>       | <b>b Total tax</b> (Form 1120-POL, line 22) . . . . .                                | <b>3 b</b> _____              |
| <b>4 a</b> Form 990-PF check here . . . ▶ <input type="checkbox"/>         | <b>b Tax based on investment income</b> (Form 990-PF, Part VI, line 5) . . . . .     | <b>4 b</b> _____              |
| <b>5 a</b> Form 8868 check here . . . ▶ <input type="checkbox"/>           | <b>b Balance Due</b> (Form 8868, Part I, line 3c or Part II, line 8c) . . . . .      | <b>5 b</b> _____              |

## Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2011 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

### Officer's PIN: check one box only

I authorize \_\_\_\_\_ to enter my PIN \_\_\_\_\_ as my signature  
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ \_\_\_\_\_ Date ▶ 01/29/2013

## Part III Certification and Authentication

**ERO's EFIN/PIN.** Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN . . . . . 52567513260  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**ERO Must Retain This Form – See Instructions**  
**Do Not Submit This Form To the IRS Unless Requested To Do So**

**BAA For Paperwork Reduction Act Notice, see instructions.**

Form **8879-EO** (2011)

Schedule O (Form 990), Supplemental Information to Form 990  
**Form 990, Page 2, Part III, Line 4d (continued)**

Describe the exempt purpose achievements for each of the organization's other program services. Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

|                 |                                    |
|-----------------|------------------------------------|
| Code: _____     | Description: <u>ENDOWMENT FUND</u> |
| Expenses _____  | <u>0.</u>                          |
| Grants Of _____ | <u>0.</u>                          |
| Revenue. _____  | <u>10,168.</u>                     |
| _____           | _____                              |
| _____           | _____                              |

Schedule H (Form 990) - Part VI - Supplemental Information (continued)  
**Schedule H (Form 990) - Part VI - Supplemental Information (Continuation Sheet)**

HEALTH DEPARTMENTS, AS WELL AS AREA SCHOOLS AND OTHER AGENCIES.  
THE TEAM DEVELOPED A TRI-COUNTY SURVEY THAT WAS SENT TO LOWER  
SHORE RESIDENTS. THE RESULTS OF THIS SURVEY WERE USED TO  
IDENTIFY HEALTH CARE NEEDS IN THE TRI-COUNTY AREA (WICOMICO,  
WORCESTER AND SOMERSET) AND PROGRAMS WERE DEVELOPED IN RESPONSE  
TO THAT SURVEY. THE STUDY IDENTIFIED THE FOLLOWING MEDICAL  
CONDITIONS TO BE THE MOST PREVALENT IN THE COMMUNITY: DIABETES,  
HEART AND LUNG DISEASE, CANCER, OBESITY AND METABOLIC SYNDROME.  
A 2009 SURVEY WAS CONDUCTED BY THE SAME STAKEHOLDERS PARTICIPATING  
IN THE 2005 STUDY TO ADDRESS ANY POTENTIALLY NEW AREAS OF CONCERN  
IN THE COMMUNITY. AS THE NEW FINDINGS DEVELOPED, MCCREADY'S  
MEDICAL AND NURSING STAFFS WORKED WITH THE FOUNDATION'S LEADERSHIP  
TO DETERMINE WHICH COMMUNITY NEEDS MCCREADY COULD HELP ADDRESS. IN  
2012 THE MCCREADY FOUNDATION CONTINUED ITS WORK WITH THE SOMERSET  
COUNTY HEALTH DEPARTMENT TO IDENTIFY MEDICALLY INDEGENT WOMEN  
IN THE COMMUNITY AND PROVIDE THEM WITH FREE PREVENTIVE WOMEN'S  
HEALTH SERVICES. THE PROGRAM PROVIDES FREE MAMMOGRAMS, SCREENING  
VISITS WITH A PHYSICIAN OR MID-LEVEL PROVIDER AND CANCER REMOVAL  
SURGERY, IF NECESSARY. THE PROGRAM IS PARTIALLY FUNDED THROUGH  
A GRANT RECEIVED BY THE HEALTH DEPARTMENT. ALSO IN CONJUNCTION  
WITH THE HEALTH DEPARTMENT, MCCREADY PROVIDES COLORECTAL SCREENINGS.  
Pt V Sec B 3 SAME ANSWER AS PART V SECTION B 1 j  
Pt V Sec B 4 PENINSULA REGIONAL MEDICAL CENTER, ATLANTIC GENERAL HOSPITAL  
AS WELL AS LOCAL HEALTH DEPARTMENTS.  
Pt V Sec B 19d HSCRC

Schedule O (Form 990 or 990-EZ), Supplemental Information to Form 990 or 990-EZ  
**Form 990, Page 10, Line 24e All Other Expenses (continued)**

| Description          | (A)<br>Total | (B)<br>Program<br>services | (C)<br>Management<br>and general | (D)<br>Fundraising |
|----------------------|--------------|----------------------------|----------------------------------|--------------------|
| DUES & SUBSCRIPTIONS | 32,053.      | 32,053.                    |                                  |                    |
| OUTSIDE SERVICES     | 29,722.      | 29,722.                    |                                  |                    |
| DEVELOPMENT          | 7,554.       | 7,554.                     |                                  |                    |
| SUPPLIES             | 5,214,977.   | 5,214,977.                 |                                  |                    |

Schedule O (Form 990 or 990-EZ), Supplemental Information to Form 990 or 990-EZ  
**Form 990, Page 10, Line 24e All Other Expenses (continued)**

Continued

| <b>Description</b>     | <b>(A)<br/>Total</b> | <b>(B)<br/>Program<br/>services</b> | <b>(C)<br/>Management<br/>and general</b> | <b>(D)<br/>Fundraising</b> |
|------------------------|----------------------|-------------------------------------|---|----------------------------|
| REPAIRS & MAINTENANCE  | 3,058.               | 3,058.                              |   |                            |
| CLINIC CLERICAL        | 1,455.               | 1,455.                              |   |                            |
| ADMINISTRATIVE OFFICES | 22,112.              | 22,112.                             |   |                            |