

Return of Organization Exempt From Income Tax

2008

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2008 calendar year, or tax year beginning 10/01, 2008, and ending 09/30, 2009

Header section containing organization name (MIDDLESEX HEALTH SERVICES, INC.), EIN (22-2676140), address (28 CRESCENT STREET, MIDDLETOWN, CT 06457), and principal officer (VINCENT CAPECE - SR. VP & COO).

Part I Summary

Table with 19 rows detailing financial and operational data. Columns include: Description, Prior Year, Current Year, and Net Assets or Fund Balances. Key figures include total revenue of 2,953,345 and total expenses of 2,807,065.

Part II Signature Block

Signature block containing a declaration of accuracy, a signature line for the officer, and preparer information (KPMG LLP, EIN 13-5565207).

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2008)

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form). **Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization	Employer identification number
	MIDDLESEX HEALTH SERVICES, INC.	22-2676140
	Number, street, and room or suite no. If a P.O. box, see instructions.	
File by the due date for filing your return. See instructions.	28 CRESCENT STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	MIDDLETOWN, CT 06457	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ DONALD LUDWIG, CPA

Telephone No. ▶ 860-344-6879 FAX No. ▶ 860-344-6992

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until MAY 17, 2010, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year _____ or
- ▶ tax year beginning OCTOBER 1, 2008, and ending SEPTEMBER 30, 2009.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	NONE
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	NONE
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	NONE

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization <u>MIDDLESEX HEALTH SERVICES, INC.</u>	Employer identification number <u>22-2676140</u>
	Number, street, and room or suite no. If a P.O. box, see instructions. <u>28 CRESCENT STREET</u>	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <u>MIDDLETOWN, CT 06457</u>	

Check type of return to be filed (File a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 5227	

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of DONALD R. LUDWIG, CPA
 Telephone No. 860 344-6879 FAX No. 860 344-6992
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until 08/16/2010.
- For calendar year , or other tax year beginning 10/01/2008, and ending 09/30/2009.
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN IS NOT YET AVAILABLE.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$	NONE
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$	NONE
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c \$	NONE

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature <input checked="" type="checkbox"/>	Title <input checked="" type="checkbox"/>	Date <input checked="" type="checkbox"/>	Form 8868 (Rev. 4-2009)
<u>KPMG LLP</u> <u>ONE FINANCIAL PLAZA</u> <u>HARTFORD, CT 06103</u>			

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

THE ORGANIZATION'S MISSION IS TO BENEFIT, ASSIST, AND FURTHER THE
PURPOSES OF MIDDLESEX HEALTH SYSTEM AND OTHER AFFILIATED HEALTHCARE
ORGANIZATIONS AS SHALL BE CONTROLLED BY MIDDLESEX HEALTH SYSTEM, INC.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes" describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

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

4a (Code: _____) (Expenses \$ 2,672,819. including grants of \$ _____) (Revenue \$ 2,919,610.)

ASSISTED LIVING FACILITY

SEE SCHEDULE O

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services. (Describe in Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ▶ \$ 2,672,819. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

Table with 3 columns: Question Number, Question Text, Yes, No. Rows include questions 1 through 27 regarding organizational requirements, lobbying activities, donor funds, conservation easements, and financial reporting.

Part IV Checklist of Required Schedules *(continued)*

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	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	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a through 12b regarding IRS filings and tax compliance.

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include questions about voting members, family/business relationships, management delegation, organizational changes, asset diversions, members/stockholders, governing body decisions, meeting documentation, local chapters, Form 990 review, and officer reachability.

Section B. Policies

Table with 3 columns: Question, Yes, No. Rows include questions about conflict of interest policy, whistleblower policy, document retention, compensation review, joint ventures, and policy adoption.

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include questions about state filing requirements, public inspection availability, governing documents, and physical address/phone number.

Part VIII Statement of Revenue

22-2676140

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions) . .	1e					
	f All other contributions, gifts, grants, and similar amounts not included above . .	1f	NONE				
	g Noncash contributions included in lines 1a-1f: \$ _____						
	h Total. Add lines 1a-1f ▶			NONE			
Program Service Revenue			Business Code				
	2a RESIDENT REVENUE		623000	2,882,316.	2,882,316.		
	b ANCILLARY REVENUE		623000	37,294.	37,294.		
	c _____						
	d _____						
	e _____						
	f All other program service revenue						
g Total. Add lines 2a-2f ▶			2,919,610.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶			22,339.	22,339.	NONE	NONE
	4 Income from investment of tax-exempt bond proceeds . . . ▶			7,796.	7,796.		
	5 Royalties ▶			NONE			
		(i) Real	(ii) Personal				
	6a Gross Rents	NONE	NONE				
	b Less: rental expenses						
	c Rental income or (loss)	NONE	NONE				
	d Net rental income or (loss) ▶			NONE			
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	NONE	NONE				
	b Less: cost or other basis and sales expenses						
	c Gain or (loss)	NONE	NONE				
	d Net gain or (loss) ▶			NONE			
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18. a		NONE				
	b Less: direct expenses b						
	c Net income or (loss) from fundraising events ▶			NONE			
	9a Gross income from gaming activities. See Part IV, line 19. a		NONE				
b Less: direct expenses b							
c Net income or (loss) from gaming activities ▶			NONE				
10a Gross sales of inventory, less returns and allowances a							
b Less: cost of goods sold b							
c Net income or (loss) from sales of inventory. ▶			NONE				
Miscellaneous Revenue			Business Code				
11a MISCELLANEOUS REVENUE			900099	3,600.	3,600.		
b _____							
c _____							
d All other revenue							
e Total. Add lines 11a-11d ▶				3,600.			
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶				2,953,345.	2,953,345.	NONE	NONE

Part IX Statement of Functional Expenses

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

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

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	NONE			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages	1,137,113.	1,119,090.	18,023.	NONE
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	NONE			
9 Other employee benefits	205,537.	202,279.	3,258.	
10 Payroll taxes	96,315.	94,788.	1,527.	
11 Fees for services (non-employees):				
a Management	160,628.	90,604.	70,024.	
b Legal	NONE			
c Accounting	24,935.		24,935.	
d Lobbying	NONE			
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	NONE			
12 Advertising and promotion	30,700.	30,700.		
13 Office expenses	209,239.	198,777.	10,462.	
14 Information technology	NONE			
15 Royalties	NONE			
16 Occupancy	177,741.	175,964.	1,777.	
17 Travel	3,851.	3,658.	193.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	1,664.		1,664.	
20 Interest	346,441.	346,441.		
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization . . .	238,276.	235,893.	2,383.	
23 Insurance	12,660.	12,660.		
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a FOOD AND BEVERAGE -----	161,965.	161,965.		
b -----				
c -----				
d -----				
e -----				
f All other expenses -----				
25 Total functional expenses. Add lines 1 through 24f	2,807,065.	2,672,819.	134,246.	NONE
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	240,262.	1	403,163.
	2 Savings and temporary cash investments	714,345.	2	736,488.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	24,335.	4	54,505.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sales or use		8	
	9 Prepaid expenses and deferred charges	4,268.	9	2,702.
	10a Land, buildings, and equipment: cost basis	10a 7,587,460.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D.	10b 2,427,276.		
		5,366,900.	10c	5,160,184.
	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	874,076.	15	850,394.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	7,224,186.	16	7,207,436.	
Liabilities	17 Accounts payable and accrued expenses	174,358.	17	137,983.
	18 Grants payable		18	
	19 Deferred revenue	60,854.	19	133,710.
	20 Tax-exempt bond liabilities	6,697,463.	20	6,487,624.
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	198,082.	25	208,410.
	26 Total liabilities. Add lines 17 through 25.	7,130,757.	26	6,967,727.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	93,429.	27	239,709.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	93,429.	33	239,709.
34 Total liabilities and net assets/fund balances	7,224,186.	34	7,207,436.	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits?		

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

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

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10.

12 Gross receipts from related activities, etc. (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 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here.
16b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here.
17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and stop here.
17b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here.
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	2,605,227.	2,684,392.	2,773,780.	2,939,268.	2,919,610.	13,922,277.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5	2,605,227.	2,684,392.	2,773,780.	2,939,268.	2,919,610.	13,922,277.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						13,922,277.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6.	2,605,227.	2,684,392.	2,773,780.	2,939,268.	2,919,610.	13,922,277.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	16,267.	44,275.	70,226.	49,078.	30,134.	209,980.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	16,267.	44,275.	70,226.	49,078.	30,134.	209,980.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	3,600.	3,600.	3,604.	3,600.	3,600.	18,004.
13 Total support. (Add lines 9, 10c, 11, and 12.)						14,150,261.

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

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)).	15	98.39%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	98.51%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	1.48%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	1.37%

19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

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

OTHER INCOME

PART II, SECTION B, LINE 10

RENT FOR SPACE USED BY CONTRACTED HAIRDRESSER TO PROVIDE HAIR CARE TO

ASSISTED LIVING FACILITY RESIDENTS.

Multiple horizontal dashed lines for supplemental information.

Supplemental Financial Statements

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Employer identification number

MIDDLESEX HEALTH SERVICES, INC.

22-2676140

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 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?

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

1 Purpose(s) of conservation easements held by the organization (check all that apply). 2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. Table with 2 columns: Held at the End of the Year, rows: 2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 8/17/06. 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year. 4 Number of states where property subject to conservation easement is located. 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year. 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year. 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

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

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

- 3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV.

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

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment ▶ _____ %
 - b Permanent endowment ▶ _____ %
 - c Term endowment ▶ _____ %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		894,611.		894,611.
b Buildings		6,137,250.	2,278,103.	3,859,147.
c Leasehold improvements				
d Equipment		555,599.	149,173.	406,426.
e Other				
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				5,160,184.

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2,953,345.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,807,065.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	146,280.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	146,280.

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

1	Total revenue, gains, and other support per audited financial statements	1	2,923,210.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	2,923,210.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	30,135.
c	Add lines 4a and 4b	4c	30,135.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	2,953,345.

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

1	Total expenses and losses per audited financial statements	1	2,776,930.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	2,776,930.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	30,135.
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	30,135.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	2,807,065.

Part XIV Supplemental Information

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

REVENUE INCLUDED ON RETURN NOT IN FINANCIAL STATEMENTS

PART XII, LINE 4B

INVESTMENT INCOME NETTED WITH

EXPENSES ON FINANCIAL STATEMENTS 30,135

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

MIDDLESEX HEALTH SERVICES, INC.

Employer identification number

22-2676140

Part I Questions Regarding Compensation

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

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

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

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

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

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

- a** Receive a severance payment or change of control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

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

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

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

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

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

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

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

Schedule J (Form 990) 2008

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
ROBERT KIELY	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(ii)	526,976.	174,787.	1,149,031.	190,750.	2,033.	2,043,577.	1,393,379.
DAVID BAGGISH MD	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(ii)	304,661.	16,626.	3,875.	1,521.	3,556.	330,239.	241,051.
VINCENT CAPECE JR	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(ii)	295,724.	66,000.	172,731.	70,500.	4,824.	609,779.	392,395.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

ESTABLISH COMPENSATION

PART I, LINE 3

MIDDLESEX HEALTH SERVICE'S OFFICER SALARIES AND BENEFITS ARE PAID BY

MIDDLESEX HOSPITAL. OFFICER SALARIES ARE DETERMINED UNDER THE

COMPENSATION POLICIES OF MIDDLESEX HOSPITAL WHICH INCLUDE THE USE OF A

COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, THE FORM 990

OF OTHER ORGANIZATIONS, WRITTEN EMPLOYMENT CONTRACT, COMPENSATION SURVEY

OR STUDY, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE.

SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN

PART I, LINE 4B

ALTHOUGH THE BENEFIT IS NOT PAYABLE UNTIL RETIREMENT, THE NONQUALIFIED

RETIREMENT PLAN BENEFIT ACCRUES ANNUALLY AND THE PLAN PROVIDES THAT A

PARTICIPANT VESTS AFTER FIVE (5) YEARS OF SERVICE. THE AMOUNT OF THE

VESTED BENEFIT IS CONSIDERED "INCOME" TO THE EXECUTIVE AS IT IS EARNED.

THE INCOME IS REPORTED ON THE EXECUTIVE'S W-2 FORM AND IS TAXABLE.

MIDDLESEX HOSPITAL SUPPLEMENTS THE EXECUTIVE'S INCOME TO PAY FOR THIS TAX

CONSEQUENCE AS THE EARNED BENEFITS VEST. THE TOTAL OF THESE SUPPLEMENTAL

Part III Supplemental Information

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

PAYMENTS, CUMULATIVE WITH INTEREST, ARE OFFSET AGAINST THE NONQUALIFIED RETIREMENT PLAN BENEFIT AT THE TIME OF RETIREMENT.

THE FOLLOWING INDIVIDUALS PARTICIPATED IN A NONQUALIFIED RETIREMENT PLAN. THE AMOUNTS REPORTED BELOW REPRESENT BENEFITS ACCRUED DURING 2008, NOT PAYABLE UNTIL RETIREMENT.

ROBERT KIELY	\$624,779
VINCENT CAPECE, JR.	\$ 63,237

COMPENSATION CONTINGENT ON REVENUE

PART I, LINE 5B

THERE ARE FOUR (4) BROAD CATEGORIES OF EXECUTIVE INCENTIVE GOALS:

CLINICAL QUALITY AND PATIENT SATISFACTION (40%), FINANCIAL STRENGTH

(30%), WORKPLACE ENVIRONMENT (15%), AND COMMUNITY BENEFIT/CHARITABLE

MISSION EFFECTIVENESS (15%). WITHIN EACH CATEGORY ARE MORE SPECIFIC GOALS

WHICH ARE DETERMINED FROM OUR OWN PAST EXPERIENCE AS WELL AS STATE AND

NATIONAL BENCHMARK DATA. THE INCENTIVE COMPENSATION OF THE EXECUTIVE

Part III Supplemental Information

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

STAFF IS DETERMINED WITH REFERENCE TO PERFORMANCE RELATIVE TO THESE GOALS.

COMPENSATION

SCHEDULE J, PART II

BONUS & INCENTIVE COMPENSATION - COLUMN B (II)

THE AMOUNTS REPORTED REPRESENT INCENTIVE COMPENSATION PAYMENTS MADE IN

2008. PAYMENTS INCLUDE AMOUNTS EARNED IN 2007 AND DEFERRED, WHERE

APPLICABLE.

DEFERRED COMPENSATION - COLUMN (C)

THE DEFERRED COMPENSATION REPORTED IN COLUMN (C) REPRESENTS INCENTIVE

COMPENSATION EARNED IN 2008 AND PAID IN 2009.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

MIDDLESEX HEALTH SERVICES, INC.

Employer identification number

22-2676140

PROGRAM SERVICES

FORM 990, PART III, LINE 4A

MIDDLESEX HEALTH SERVICES' SOLE ACTIVITY IS TO OPERATE A LICENSED

ASSISTED LIVING FACILITY, ONE MACDONOUGH PLACE, LOCATED IN MIDDLETOWN,

CONNECTICUT. THE FACILITY HAS 70 RESIDENTIAL UNITS COMPRISED OF STUDIOS,

ONE-BEDROOM, & TWO-BEDROOM APARTMENTS. ASSISTANCE WITH ACTIVITIES OF

DAILY LIVING, NURSING SERVICES, CLIENT ASSESSMENT AND SUPERVISION OF AND

ASSISTANCE WITH MEDICATION ADMINISTRATION ARE PROVIDED. RESIDENTS RECEIVE

INDIVIDUALIZED ASSISTANCE, DESIGNED TO MEET THEIR NEEDS 24 HOURS A DAY.

RESIDENT CONTRACTS ARE GENERALLY A YEAR LONG AND RENEWABLE, THOUGH THERE

ARE SOME CONTRACTS FOR SHORT-TERM RESPITE CARE AND THERE IS ONGOING

TURNOVER FROM DEATHS AND FROM ILLNESSES REQUIRING RESIDENTS' TRANSFER TO

NURSING HOMES. ACTIVITY IS COUNTED PRIMARILY IN RESIDENT DAYS WHICH

TOTALED 25,344 IN FY 2009.

Name of the organization MIDDLESEX HEALTH SERVICES, INC.	Employer identification number 22-2676140
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MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, SECTION A, LINES 6, 7A, AND 7B

THE SOLE MEMBER OF MIDDLESEX HEALTH SERVICES IS MIDDLESEX HEALTH SYSTEM,

INC., A CONNECTICUT NON-STOCK CORPORATION, OR ITS SUCCESSOR IN INTEREST

("SOLE MEMBER"), WHICH HAS ALL OF THE MEMBERSHIP RIGHTS CONFERRED BY LAW,

THE CERTIFICATE OF INCORPORATION OR THE MIDDLESEX HEALTH SERVICES

BY-LAWS.

Name of the organization MIDDLESEX HEALTH SERVICES, INC.	Employer identification number 22-2676140
---	--

REVIEW PROCESS

FORM 990, PART VI, SECTION A, LINE 10

DRAFT FORMS OF THE 990, INCLUDING REQUIRED SCHEDULES, ARE PROVIDED TO

EACH BOARD MEMBER FOR REVIEW. MEMBERS REVIEW THE DOCUMENT AND DISCUSS IN

DETAIL AT A BOARD MEETING. ANY QUESTIONS OR COMMENTS ARE PRESENTED TO

EXECUTIVE MANAGEMENT PRIOR TO FILING. A COPY OF THE FINAL FORM 990 WILL

BE PROVIDED TO THE BOARD PRIOR TO FILING WITH THE IRS VIA A WEB BASED

COMMUNICATION PORTAL.

Name of the organization MIDDLESEX HEALTH SERVICES, INC.	Employer identification number 22-2676140
---	--

CONFLICT OF INTEREST POLICY

FORM 990, PART VI, SECTION B, LINE 12C

CONFLICT OF INTEREST FORMS ARE DISTRIBUTED ANNUALLY TO KEY EMPLOYEES, OFFICERS AND THE BOARD OF DIRECTORS. RESPONSES ARE RETURNED TO, TRACKED, AND REVIEWED BY THE COMPLIANCE OFFICER. INFORMATION REPORTED IS CONSIDERED PERSONAL AND CONFIDENTIAL AND ONLY DISCLOSED WHEN DEEMED NECESSARY TO PROTECT THE HOSPITAL AGAINST THE EFFECTS OF CONFLICTS OF INTEREST AND ONLY AFTER ADVISING THE REPORTING PERSON OF THE PROPOSED DISCLOSURE AND OF ITS EXTENT. MATERIAL CONFLICTS ARE REPORTED TO THE BOARDS AUDIT COMMITTEE FOR REVIEW AND DETERMINATION.

IN ADDITION TO COMPLETING THE ANNUAL CONFLICT OF INTEREST FORM, BOARD MEMBERS MUST IMMEDIATELY DISCLOSE ANY INTEREST AND ALL MATERIAL FACTS TO THE BOARD OF DIRECTORS. THE BOARD THEN REVIEWS THE FACTS AND MAKES THE DETERMINATION AS TO WHETHER A SIGNIFICANT CONFLICT OF INTEREST EXISTS. IF SO, THE BOARD FOLLOWS DISABLING GUIDELINES TO DETERMINE IF THE BOARD MEMBER SHOULD BE ASKED TO RESIGN OR BE REMOVED.

Name of the organization MIDDLESEX HEALTH SERVICES, INC.	Employer identification number 22-2676140
---	--

COMPENSATION POLICY

FORM 990, PART VI, SECTION B, LINE 15B

MIDDLESEX HEALTH SERVICE'S OFFICER SALARIES AND BENEFITS ARE PAID BY

MIDDLESEX HOSPITAL. OFFICER SALARIES ARE DETERMINED UNDER THE

COMPENSATION POLICIES OF MIDDLESEX HOSPITAL WHICH INCLUDE THE FOLLOWING:

EXECUTIVE TEAM COMPENSATION IS REVIEWED ANNUALLY BY THE EXECUTIVE

COMPENSATION COMMITTEE OF THE BOARD. THE COMMITTEE HAS A CHARTER AND A

POLICY STATEMENT SETTING FORTH A PROCESS AND CERTAIN GUIDELINES FOR

DETERMINING COMPENSATION. EXECUTIVES RECEIVE A BASE SALARY AND HAVE THE

OPPORTUNITY FOR INCENTIVE COMPENSATION WITHIN A RANGE SET BY THE POLICY.

FOLLOWING THE CLOSE OF EACH FISCAL YEAR, THE COMMITTEE RECEIVES A MARKET

ANALYSIS FROM INDEPENDENT CONSULTANTS REGARDING COMPENSATION AT PEER

GROUPS OF COMPARABLE HOSPITALS AND HEALTH SYSTEMS. POSITIONS WITHIN THE

EXECUTIVE TEAM ARE COMPARED TO BENCHMARK POSITIONS WITHIN THIS MARKET

DATA AND THEIR COMPENSATION IS COMPARED TO THE DATA BOTH WITH RESPECT TO

CASH COMPENSATION AND TOTAL COMPENSATION INCLUDING FRINGE BENEFITS. THE

CEO RECOMMENDS THE INCENTIVE AWARDS AND BASE SALARY ADJUSTMENTS TO THE

COMPENSATION OF THE EXECUTIVES WHO REPORT TO HIM, AND THE COMMITTEE

REVIEWS THOSE RECOMMENDATIONS, APPROVES OR MODIFIES THEM, AND ALSO

DETERMINES ANY INCENTIVE AWARD AND BASE SALARY ADJUSTMENT FOR THE CEO.

THE CONSULTANTS PROVIDE A WRITTEN OPINION ANNUALLY CONFIRMING THAT THE

COMPENSATION OF THE EXECUTIVES, AS ADJUSTED BY THIS PROCESS, IS

"REASONABLE" WITHIN APPLICABLE IRS GUIDELINES.

KEY EMPLOYEE COMPENSATION IS SET FOLLOWING THE GUIDELINES SET FORTH IN

THE HOSPITAL COMPENSATION POLICY. THE OBJECTIVE OF THIS POLICY IS TO PAY

Name of the organization

Employer identification number

MIDDLESEX HEALTH SERVICES, INC.

22-2676140

EMPLOYEES BASED UPON HOSPITAL NEED, THE PROPER EXTERNAL LABOR MARKET AND
PERFORMANCE.

Name of the organization MIDDLESEX HEALTH SERVICES, INC.	Employer identification number 22-2676140
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PUBLIC DISCLOSURE

FORM 990, PART VI, SECTION C, LINE 19

MIDDLESEX HEALTH SERVICES, INC. ("SERVICES") IS A MEMBER CORPORATION OF

THE MIDDLESEX HEALTH SYSTEM AND IS A RELATED CORPORATION TO MIDDLESEX

HOSPITAL. THE MIDDLESEX HEALTH SYSTEM MAINTAINS A QUALITY AND COMPLIANCE

SECTION ON THE HOSPITAL'S WEBSITE, MIDDLESEXHOSPITAL.ORG. SERVICES POSTS

THE MOST CURRENT AUDITED FINANCIAL STATEMENTS AND FORM 990 WITH THOSE OF

THE HOSPITAL AND OTHER AFFILIATES AS THEY BECOME AVAIABLE. SERVICES

ADHERES TO THE CONFLICT OF INTEREST POLICY OF THE MIDDLESEX HEALTH SYSTEM

WHICH IS ALSO POSTED ON THE WEBSITE IN THE FOR VENDORS AND SUPPLIERS

SECTION. IN ADDITION, SERVICES' FORM 990 IS AVAILABLE AT

WWW.GUIDESTAR.ORG AND UPON REQUEST.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2008

**Open to Public
Inspection**

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

Name of the organization

MIDDLESEX HEALTH SERVICES, INC.

Employer identification number

22-2676140

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
MIDDLESEX HEALTH SYSTEM, INC. 22-2676137 28 CRESCENT STREET MIDDLETOWN, CT 06457	HEALTHCARE	CT	501 (C) (3)	11	N/A
MIDDLESEX HOSPITAL 06-0646718 28 CRESCENT STREET MIDDLETOWN, CT 06457	HEALTHCARE	CT	501 (C) (3)	3	MSX HEAL SYS

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

Schedule R (Form 990) 2008

Part III Identification of Related Organizations Taxable as a Partnership

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

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
MIDDLESEX HEALTH RESOURCES, INC. 06-1089925 28 CRESCENT STREET MIDDLETOWN, CT 06457	HEALTHCARE	CT	MID. HEALTH SYS	C CORP	NONE	NONE	NONE
MHS PRIMARY CARE, INC. 06-1472743 28 CRESCENT STREET MIDDLETOWN, CT 06457	HEALTHCARE	CT	MID. HEALTH SYS	C CORP	NONE	NONE	NONE
INTEGRATED RESOURCES FOR THE MIDDLESEX 06-1462230 28 CRESCENT STREET MIDDLETOWN, CT 06457	OUTPATIENT CARE	CT	MID. HEALTH SYS	C CORP	NONE	NONE	NONE

Part V Transactions With Related Organizations

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

	Yes	No
1 During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity		<input checked="" type="checkbox"/>
b Gift, grant, or capital contribution to other organization(s)		<input checked="" type="checkbox"/>
c Gift, grant, or capital contribution from other organization(s)		<input checked="" type="checkbox"/>
d Loans or loan guarantees to or for other organization(s)		<input checked="" type="checkbox"/>
e Loans or loan guarantees by other organization(s)	<input checked="" type="checkbox"/>	
f Sale of assets to other organization(s)		<input checked="" type="checkbox"/>
g Purchase of assets from other organization(s)		<input checked="" type="checkbox"/>
h Exchange of assets		<input checked="" type="checkbox"/>
i Lease of facilities, equipment, or other assets to other organization(s)		<input checked="" type="checkbox"/>
j Lease of facilities, equipment, or other assets from other organization(s)		<input checked="" type="checkbox"/>
k Performance of services or membership or fundraising solicitations for other organization(s)		<input checked="" type="checkbox"/>
l Performance of services or membership or fundraising solicitations by other organization(s)		<input checked="" type="checkbox"/>
m Sharing of facilities, equipment, mailing lists, or other assets		<input checked="" type="checkbox"/>
n Sharing of paid employees	<input checked="" type="checkbox"/>	
o Reimbursement paid to other organization for expenses	<input checked="" type="checkbox"/>	
p Reimbursement paid by other organization for expenses		<input checked="" type="checkbox"/>
q Other transfer of cash or property to other organization(s)		<input checked="" type="checkbox"/>
r Other transfer of cash or property from other organization(s)		<input checked="" type="checkbox"/>

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

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		

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

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NAME AND ADDRESS

DESCRIPTION OF SERVICES COMPENSATION

GENESIS HEALTHCARE CORP
101 EAST STATE STREET
KENNETT SQUARE, PA 19348

MANAGEMENT SERVICES 149,058.

TOTAL COMPENSATION

149,058.
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