

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2008 or other tax year beginning 10/01, 2008, and ending 09/30, 2009. See separate instructions.

A Check box if address changed

B Exempt under section
 501(c)(3)
 408(e) 220(e)
 408A 530(a)
 529(a)

C Book value of all assets at end of year
374,372,000.

Print or Type

Name of organization (Check box if name changed and see instructions.)
MIDDLESEX HOSPITAL
Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.
28 CRESCENT STREET
City or town, state, and ZIP code
MIDDLETOWN, CT 06457

D Employer identification number
(Employees' trust, see instructions for Block D on page 9.)
06-0646718

E Unrelated business activity codes
(See instructions for Block E on page 9.)
621500

F Group exemption number (See instructions for Block F on page 9.)

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. OUTSIDE SERVICES

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. SEE STATEMENT 1

J The books are in care of SUSAN MARTIN, CFO Telephone number 860-358-3005

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales <u>16,072,668.</u>			
b	Less returns and allowances <u>9,709,071.</u>			
	c Balance ▶	1c		
2	Cost of goods sold (Schedule A, line 7)	<u>6,363,597.</u>		
3	Gross profit. Subtract line 2 from line 1c	<u>6,363,597.</u>		<u>6,363,597.</u>
4a	Capital gain net income (attach Schedule D)			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement)			
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See page 11 of the instructions; attach schedule.)			
13	Total. Combine lines 3 through 12	<u>6,363,597.</u>		<u>6,363,597.</u>

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)			
15	Salaries and wages			<u>1,431,866.</u>
16	Repairs and maintenance			
17	Bad debts			
18	Interest (attach schedule)			
19	Taxes and licenses			<u>146,996.</u>
20	Charitable contributions (See page 13 of the instructions for limitation rules.)			
21	Depreciation (attach Form 4562)	21	<u>177,055.</u>	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		<u>177,055.</u>
23	Depletion			
24	Contributions to deferred compensation plans			
25	Employee benefit programs			<u>346,135.</u>
26	Excess exempt expenses (Schedule I)			
27	Excess readership costs (Schedule J)			
28	Other deductions (attach schedule) <u>SEE STATEMENT 2</u>			<u>2,346,349.</u>
29	Total deductions. Add lines 14 through 28			<u>4,448,401.</u>
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			<u>1,915,196.</u>
31	Net operating loss deduction (limited to the amount on line 30)			<u>1,915,196.</u>
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)			<u>1,000.</u>
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			<u>NONE</u>

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **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
 - 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 MIDDLESEX HOSPITAL	Employer identification number 06-0646718
	Number, street, and room or suite no. If a P.O. box, 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 type="checkbox"/> Form 990 | <input checked="" 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 AUGUST 16, 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	\$	
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.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here See instructions and:
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
(1) (2) (3)
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750)
(2) Additional 3% tax (not more than \$100,000)
c Income tax on the amount on line 34
35c NONE
36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on the amount on line 34 from:
 Tax rate schedule or Schedule D (Form 1041)
36
37 Proxy tax. See page 16 of the instructions
37
38 Alternative minimum tax
38
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies
39 NONE

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a
b Other credits (see page 17 of the instructions) 40b
c General business credit. Attached Form 3800 40c
d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d
e Total credits. Add lines 40a through 40d 40e
41 Subtract line 40e from line 39. 41 NONE
42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule). 42
43 Total tax. Add lines 41 and 42 43 NONE
44 a Payments: A 2007 overpayment credited to 2008 44a
b 2008 estimated tax payments 44b
c Tax deposited with Form 8868 44c
d Foreign organizations: Tax paid or withheld at source (see instructions) 44d
e Backup withholding (see instructions) 44e
f Other credits and payments: Form 2439 Form 4136 Other Total 44f
45 Total payments. Add lines 44a through 44f 45
46 Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached 46
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 NONE
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 NONE
49 Enter the amount of line 48 you want: Credited to 2009 estimated tax Refunded 49 NONE

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here
Yes No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?
Yes No
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

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

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

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

Sign Here Signature of officer Date Title
May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only Preparer's signature Date Check if self-employed Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code KPMG LLP EIN 13-5565207
TWO FINANCIAL CTR, 60 SOUTH ST Phone no. 617-988-1000
BOSTON, MA 02111

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

(see instructions on page 19)

1 Description of property

Table with 4 rows for property description (1-4).

2 Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions directly connected with the income.

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

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

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

Table with 5 columns: 1 Description of debt-financed property, 2 Gross income, 3 Deductions, 4 Amount of average acquisition debt, 5 Average adjusted basis, 6 Column 4 divided by column 5, 7 Gross income reportable, 8 Allocable deductions.

Totals. Total dividends-received deductions included in column 8.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

Table with 6 columns: 1 Name of controlled organization, 2 Employer identification number, 3 Net unrelated income, 4 Total of specified payments made, 5 Part of column 4 that is included in the controlling organization's gross income, 6 Deductions directly connected with income in column 5.

Nonexempt Controlled Organizations

Table with 5 columns: 7 Taxable Income, 8 Net unrelated income, 9 Total of specified payments made, 10 Part of column 9 that is included in the controlling organization's gross income, 11 Deductions directly connected with income in column 10.

Totals

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 21)

Table with 5 columns: 1 Description of income, 2 Amount of income, 3 Deductions directly connected, 4 Set-asides, 5 Total deductions and set-asides. Includes rows (1)-(4) and a Totals row.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

Table with 7 columns: 1 Description of exploited activity, 2 Gross unrelated business income, 3 Expenses directly connected, 4 Net income, 5 Gross income, 6 Expenses attributable, 7 Excess exempt expenses. Includes rows (1)-(4) and a Totals row.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Includes rows (1)-(4) and a Totals row.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Includes rows (1)-(4) and a Totals row.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 22)

Table with 4 columns: 1 Name, 2 Title, 3 Percent of time devoted to business, 4 Compensation attributable to unrelated business. Includes a Total row.

**SCHEDULE O
(Form 1120)**

(Rev. December 2008)

Department of the Treasury
Internal Revenue Service

**Consent Plan and Apportionment Schedule
for a Controlled Group**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No. 1545-0123

Name MIDDLESEX HOSPITAL	Employer identification number 06-0646718
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Part I Apportionment Plan Information

- 1 Type of controlled group:
 - a Parent-subsidiary group
 - b Brother-sister group
 - c Combined group
 - d Life insurance companies only

- 2 This corporation has been a member of this group:
 - a For the entire year.
 - b From _____, until _____.

- 3 This corporation consents and represents to:
 - a Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
 - b Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending 09/30/2009, and for all succeeding tax years.
 - c Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
 - d Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

- 4 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).
 - a No apportionment plan is in effect and none is being adopted.
 - b An apportionment plan is already in effect. It was adopted for the tax year ending _____, and for all succeeding tax years.

- 5 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.
 - a Yes.
 - (i) The statute of limitation for this year will expire on _____.
 - (ii) On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
 - b No. The members may not adopt or amend an apportionment plan.

- 6 Elections under section 1561. See instructions.
 - a The corporation will determine its tax liability by applying the maximum tax rate under section 11 to the entire amount of its taxable income.
 - b The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the group's section 11(b)(1) additional tax.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions for Form 1120.

Schedule O (Form 1120) (Rev. 12-2008)

Part II Taxable Income Apportionment (See instructions)

Caution: Each total in Part II, column (g) for each component member must agree with Form 1120, page 1, line 30 or the comparable line of such member's tax return.

(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket				(g) Total (add columns (c) through (f))
			(c) 15%	(d) 25%	(e) 34%	(f) 35%	
1	MIDDLESEX HEALTH RESOURCES, INC.	06-1089925	2009-09	NONE	NONE	NONE	NONE
2	MIDDLESEX HOSPITAL	06-0646718	2009-09	NONE	NONE	NONE	NONE
3	MHS PRIMARY CARE, INC.	06-1472743	2009-09	NONE	NONE	NONE	NONE
4	INTEGRATED RESOURCES FOR THE MIDDLE SEX AREA	06-1462230	2009-09	NONE	NONE	NONE	NONE
5							
6							
7							
8							
9							
10							
Total				NONE	NONE	NONE	NONE

Schedule O (Form 1120) (Rev. 12-2008)

Part III Income Tax Apportionment (See instructions)

(a) Group member's name	Income Tax Apportionment							(h) Total income tax (combine lines (b) through (g))
	(b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%		
1 MIDDLESEX HEALTH RESOURCES, INC.	NONE	NONE	NONE				NONE	
2 MIDDLESEX HOSPITAL	NONE	NONE	NONE				NONE	
3 MHS PRIMARY CARE, INC.	NONE	NONE	NONE				NONE	
4 INTEGRATED RESOURCES FOR THE MIDDLE SEX AREA	NONE	NONE	NONE				NONE	
5								
6								
7								
8								
9								
10								
Total	NONE	NONE	NONE				NONE	

Schedule O (Form 1120) (Rev. 12-2008)

Part IV Other Apportionments (See instructions)

(a) Group member's name	Other Apportionments				
	(b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 MIDDLESEX HEALTH RESOURCES, INC.		15,000.	15,000.		
2 MIDDLESEX HOSPITAL		25,000.	135,000.		
3 MHS PRIMARY CARE, INC.		NONE	NONE		
4 INTEGRATED RESOURCES FOR THE MIDDLE SEX AREA		NONE	NONE		
5					
6					
7					
8					
9					
10					
Total		40,000.	150,000.		

Schedule O (Form 1120) (Rev. 12-2008)

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service (99)

See separate instructions.

Attach to your tax return.

Attachment Sequence No. 67

Name(s) shown on return

Identifying number

MIDDLESEX HOSPITAL

06-0646718

Business or activity to which this form relates

GENERAL DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 13 rows for Part I. Columns include description, cost, and elected cost. Row 13 shows carryover of disallowed deduction to 2009.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

Table with 3 rows for Part II. Row 16 shows other depreciation including ACRS with a value of 177,055.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 2 rows for Section A. Row 17 is for MACRS deductions for assets placed in service before 2008.

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year, residential rental, and nonresidential real property.

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

Table with 6 columns: (a) Class life, (b) 12-year, (c) 40-year, (d) 12 yrs., (e) 40 yrs., (f) MM, (g) S/L.

Part IV Summary (See instructions.)

Table with 3 rows for Part IV. Row 22 shows total depreciation with a value of 177,055. Row 23 is for assets shown above and placed in service during the current year.

NAME AND FEIN OF PARENT CORPORATION

=====

MIDDLESEX HEALTH SYSTEM, INC.

EIN 22-2676137

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS
=====

OTHER EXPENSES

2,346,349.

PART II - LINE 28 - OTHER DEDUCTIONS

2,346,349.
=====

FEDERAL FORM 990T NET OPERATING LOSS CARRYFORWARD

<u>TAX YEAR</u>	<u>LOSS GENERATED</u>	<u>LOSS UTILIZED</u>	<u>AMOUNT EXPIRED</u>	<u>AMOUNT REMAINING</u>
9/30/1990	(166,664)	105,120	61,544	-
9/30/1991	(296,491)	296,491	-	-
9/30/1992	(407,367)	407,367	-	-
9/30/1993	(402,826)	402,826	-	-
9/30/1994	(17,149)	17,149	-	-
9/30/1995	-	-	-	-
9/30/1996	(655,915)	655,915	-	-
9/30/1997	(169,251)	169,251	-	-
9/30/1998	(855,625)	855,625	-	-
9/30/1999	(720,335)	720,335	-	-
9/30/2000	(1,083,955)	757,456	-	(326,499)
9/30/2001	(859,026)			(859,026)
9/30/2002	(1,147,995)			(1,147,995)
9/30/2003	(307,029)			(307,029)
9/30/2004	(155,382)			(155,382)
9/30/2005	-			-
9/30/2006	-			-
9/30/2007	-			-
9/30/2008	-			-
9/30/2009	-			-
TOTAL				<u>(2,795,931)</u>