



2011 Income Tax Returns

LEVINDALE HEBREW GERIATRIC CENTER
AND HOSPITAL INC

Cumulative E-File History 2011	
FED	
Locator: 12668P	
Tax Payer Name: LEVINDALE HEBREW GERIATRIC CENTER	
Return Type: 990, 990	
Submitted Date	5/14/2013 2:12:39 PM
Acknowledgement Date	5/14/2013 2:27:37 PM
Status	Accepted
Submission ID	54028020131345000015
<input type="button" value="Print"/>	<input type="button" value="Close"/>

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2011, or tax year beginning 07/01, 2011, and ending 06/30, 20 12
For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

2011

Department of the Treasury
Internal Revenue Service

▶ See instructions on back.

Name of exempt organization <u>LEVINDALE HEBREW GERIATRIC CENTER</u>	Employer identification number <u>52-0607913</u>
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Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the type of return being filed with Form 8453-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 of 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-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

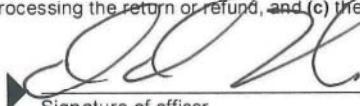
1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12) . . .	1b <u>73833578.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance due (Form 8868, Part I, line 3c or Part II, line 8c)	5b _____

Part II Declaration of Officer

6 I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) 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.


If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named 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.

Sign Here		Date <u>5/13/13</u>	Title <u>SR VP / CFO</u>
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Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only	ERO's signature ▶ 	Date <u>5-13-13</u>	Check if also paid preparer <input checked="" type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN <u>P01205643</u>
	Firm's name (or yours if self-employed), address, and ZIP code ▶	<u>KPMG LLP</u> <u>1676 INTERNATIONAL DRIVE</u> <u>MCLEAN VA 22102</u>			EIN <u>13-5565207</u> Phone no. <u>703-286-8000</u>

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

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)

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 07/01, 2011, and ending 06/30, 2012

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC			D Employer identification number 52-0607913
	Doing Business As		E Telephone number (410) 601-5653	
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2434 WEST BELVEDERE AVENUE			
	City or town, state or country, and ZIP + 4 BALTIMORE, MD 21215			
F Name and address of principal officer: ARIC SPITULNIK 2434 WEST BELVEDERE AVE BALTIMORE, MD 21215			G Gross receipts \$ 73,833,578.	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
J Website: WWW.LIFEBRIDGEHEALTH.ORG/LEVINDALE			H(c) Group exemption number ▶	
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1965 M State of legal domicile: MD	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: LEVINDALE IS A GERIATRIC CENTER AND HOSPITAL DEDICATED TO PROVIDING SUPERIOR SERVICE IN A COST EFFECTIVE MANNER FOR THE AGED, FRAIL AND ILL IN INSTITUTIONAL, COMMUNITY AND HOME SETTINGS.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	28.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	24.
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	890.
	6 Total number of volunteers (estimate if necessary)	6	165.
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,044,479.	1,663,889.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	70,038,738.	70,824,419.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,485,567.	996,652.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	394,805.	348,618.
		72,963,589.	73,833,578.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	5,761.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	45,876,301.	44,811,614.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 28,178.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	28,213,374.	27,894,257.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	74,089,675.	72,711,632.	
19 Revenue less expenses. Subtract line 18 from line 12	-1,126,086.	1,121,946.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	93,327,274.	95,842,108.
	22 Net assets or fund balances. Subtract line 21 from line 20	32,014,277.	29,905,227.
	61,312,997.	65,936,881.	

Part II Signature Block

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

Sign Here	▶ Signature of officer	Date			
	▶ Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name RAYMOND LY	Preparer's signature <i>Raymond Ly</i>	Date 5-13-13	Check if self-employed <input type="checkbox"/>	PTIN P01205643
	Firm's name ▶ KPMG LLP	EIN ▶ 13-5565207		Phone no. ▶ 703-286-8000	
	Firm's address ▶ 1676 INTERNATIONAL DRIVE MCLEAN, VA 22102				

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

For Paperwork Reduction Act Notice, see the separate instructions.

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
- 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.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

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.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number (EIN) or <input checked="" type="checkbox"/> 52-0607913
	Number, street, and room or suite no. If a P.O. box, see instructions. 2434 WEST BELVEDERE AVENUE	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BALTIMORE, MD 21215	
	Enter the Return code for the return that this application is for (file a separate application for each return) <input type="checkbox"/> 0 <input type="checkbox"/> 1	

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ NANCY KANE

Telephone No. ▶ 410 601-5653 FAX No. ▶ _____

- 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.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 02/15, 2013, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year 20____ or

▶ tax year beginning 07/01, 2011, and ending 06/30, 2012.

2 If the tax year entered in line 1 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	\$	0
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.	3b	\$	0
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0

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**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• 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).

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number (EIN) or <input checked="" type="checkbox"/> 52-0607913
	Number, street, and room or suite no. If a P.O. box, see instructions. 2434 WEST BELVEDERE AVENUE	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BALTIMORE, MD 21215	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

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 NANCY KANE
Telephone No. 410 601-5653 FAX No. _____
- 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 05/15, 20 13 .
- For calendar year _____, or other tax year beginning 07/01, 20 11, and ending 06/30, 20 12 .
- If the tax year entered in line 5 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 \$	0
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 \$	0
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c \$	0

Signature and Verification must be completed for Part II only.

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  Title Tax Manager Date 2-11-13

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III Yes No

1 Briefly describe the organization's mission:

ATTACHMENT 1

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

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

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$ 31,471,419. including grants of \$) (Revenue \$ 45,197,932.)

LEVINDALE OPERATES A 120 BED CHRONIC HOSPITAL

4b (Code:) (Expenses \$ 10,829,197. including grants of \$) (Revenue \$ 18,312,992.)

LEVINDALE OPERATES A 210 BED NURSING FACILITY INCLUDING A 26 BED SUBACUTE UNIT

4c (Code:) (Expenses \$ 6,303,226. including grants of \$) (Revenue \$ 7,318,598.)

ATTACHMENT 2

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

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 48,603,842.

Part IV Checklist of Required Schedules

Table with 3 columns: Question number, Yes, No. Rows include questions 1 through 20b regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 21 through 38 regarding grants, compensation, tax-exempt bonds, and controlled entities.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a through 14b regarding IRS filings and tax compliance.

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... 1b Enter the number of voting members included in line 1a... 2 Did any officer, director, trustee, or key employee have a family relationship... 3 Did the organization delegate control over management duties... 4 Did the organization make any significant changes to its governing documents... 5 Did the organization become aware during the year of a significant diversion of the organization's assets?... 6 Did the organization have members or stockholders?... 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?... 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?... 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body?... 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O

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? b 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? b 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 b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done 13 Did the organization have a written whistleblower policy? 14 Did the organization have a written document retention and destruction policy? 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 b Other officers or key employees of the organization 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? b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MD,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made 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 made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: NANCY KANE 2401 W BELVEDERE AVENUE BALTIMORE, MD 21215 410-601-5653

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

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

- List all of the organization's **current** 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) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 3										
(1) ARIC SPITULNIK PRESIDENT/COO/DIRECTOR	40.00	X	X					321,480.	0	64,180.
(2) ALLAN C. ALPERSTEIN DIRECTOR	1.00	X						0	0	0
(3) KEITH ATTMAN DIRECTOR	1.00	X						0	0	0
(4) JACK L. BARBER DIRECTOR	1.00	X						0	0	0
(5) JASON A. BLAVATT VICE CHAIR/DIRECTOR	1.00	X	X					0	0	0
(6) SHARON CAPLAN SECRETARY/DIRECTOR	1.00	X	X					0	0	0
(7) MARC A. COHEN DIRECTOR	1.00	X						0	0	0
(8) ANNETTE COOPER DIRECTOR	1.00	X						0	0	0
(9) ROBERT DAMIE DIRECTOR	1.00	X						0	0	0
(10) JASON A. FRANK ESQUIRE DIRECTOR	1.00	X						0	0	0
(11) WARREN GREEN CEO/DIRECTOR	1.00	X	X					0	1,438,899.	40,641.
(12) MARLENE KOEPPPEL DIRECTOR	1.00	X						0	0	0
(13) ALAN KOTZ DIRECTOR	1.00	X						0	0	0
(14) SCOTT LONDON DIRECTOR	1.00	X						0	0	0

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) BRENDA MANDEL DIRECTOR	1.00	X					0	0	0	
(16) EDWARD L. MORRIS M.D. TREASURER/DIRECTOR	1.00	X		X			0	0	0	
(17) BETSY NARROW DIRECTOR	1.00	X					0	0	0	
(18) HOWARD PERLOW DIRECTOR	1.00	X					0	0	0	
(19) ABBA D. POLIAKOFF ESQUIRE DIRECTOR	1.00	X					0	0	0	
(20) LEE ROSENBERG DIRECTOR	1.00	X					0	0	0	
(21) BERNARD RUBIN M.D. DIRECTOR	1.00	X					0	12,488.	0	
(22) BENJAMIN SCHAPIRO DIRECTOR	1.00	X					0	0	0	
(23) RICHARD SHATZKIN DIRECTOR	1.00	X					0	0	0	
(24) ROBERT SMELKINSON DIRECTOR	1.00	X					0	0	0	
(25) DAVID UHLFELDER CPA VICE CHAIR/DIRECTOR	1.00	X		X			0	0	0	
1b Sub-total							321,480.	1,438,899.	104,821.	
c Total from continuation sheets to Part VII, Section A							1,847,733.	785,740.	431,560.	
d Total (add lines 1b and 1c)							2,169,213.	2,224,639.	536,381.	

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 ▶ 35

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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>	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>		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) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

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 ▶ 11

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) HOWARD D. WEISS DIRECTOR	1.00	X					0	0	0	
(27) HOWARD M. WEISS DIRECTOR	1.00	X					0	0	0	
(28) CHARLES S. WINNER ESQUIRE DIRECTOR	1.00	X					0	0	0	
(29) STEVE WIONS DIRECTOR	1.00	X					0	0	0	
(30) RICHARD M. YAFFE DIRECTOR	1.00	X					0	0	0	
(31) SUSAN LEVY STROHM M.D. VP MEDICAL AFFAIRS	40.00	X		X			360,656.	0	79,973.	
(32) CHARLES ORLANDO CHIEF FINANCIAL OFFICER	1.00			X			0	773,252.	125,950.	
(33) CATHY GALLO VP OPERATIONS CNO	40.00			X			189,362.	0	30,931.	
(34) JOCELYN EI-SAYED PHYSICIAN	40.00					X	242,850.	0	9,989.	
(35) SUNIL RAJANI PHYSICIAN	40.00					X	228,204.	0	63,823.	
(36) GIZAW WOLDEHIWOT M.D. PHYSICIAN	40.00					X	212,575.	0	28,148.	
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

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 ▶ 35

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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>	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>		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) Name and business address	(B) Description of services	(C) Compensation

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 ▶

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(37) BABATUNDE AJANI M.D. PHYSICIAN	40.00					X		177,484.	0	6,730.
(38) SURAIYA BEGUM M.D. PHYSICIAN	40.00					X		180,987.	0	25,901.
(39) RAUL LUJAN VP FINANCE	40.00						X	255,615.	0	60,115.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

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 **▶** 35

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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>	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>		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) Name and business address	(B) Description of services	(C) Compensation

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 **▶**

Part VIII Statement of Revenue

				(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	470,704.					
	e Government grants (contributions) . .	1e	23,212.					
	f All other contributions, gifts, grants, and similar amounts not included above .	1f	1,169,973.					
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f			1,663,889.				
	Program Service Revenue	Business Code						
2a PATIENT SERVICE REVENUE			900099	12,821,632.	12,821,632.			
b MEAL PROGRAMS			900099	393,768.	393,768.			
c MEDICARE/MEDICAID PAYMENTS			900099	57,609,019.	57,609,019.			
d _____								
e _____								
f All other program service revenue								
g Total. Add lines 2a-2f				70,824,419.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 5			795,626.			795,626.	
	4 Income from investment of tax-exempt bond proceeds			0				
	5 Royalties			0				
	6a Gross rents	(i) Real						
		(ii) Personal						
			150,237.					
		b Less: rental expenses						
	c Rental income or (loss)		150,237.					
	d Net rental income or (loss)			150,237.			150,237.	
	7a Gross amount from sales of assets other than inventory	(i) Securities						
		(ii) Other						
			201,026.					
		b Less: cost or other basis and sales expenses						
	c Gain or (loss)		201,026.					
	d Net gain or (loss)			201,026.			201,026.	
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a							
b Less: direct expenses	b							
c Net income or (loss) from fundraising events			0					
9a Gross income from gaming activities. See Part IV, line 19	a							
b Less: direct expenses	b							
c Net income or (loss) from gaming activities			0					
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			0					
Miscellaneous Revenue			Business Code					
11a PURCHASE DISCOUNTS		900099	5,102.	5,102.				
b VENDING		900099	8,331.			8,331.		
c DAYCARE SHUTTLE		900099	76,000.			76,000.		
d All other revenue		453220	108,948.			108,948.		
e Total. Add lines 11a-11d			198,381.					
12 Total revenue. See instructions			73,833,578.	70,829,521.		1,340,168.		

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	5,761.	5,761.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	1,127,113.		1,098,935.	28,178.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	34,370,518.	24,531,453.	9,839,065.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,510,127.	1,193,000.	317,127.	
9 Other employee benefits	5,097,461.	3,274,489.	1,822,972.	
10 Payroll taxes	2,706,395.	2,138,052.	568,343.	
11 Fees for services (non-employees):				
a Management	0			
b Legal	30,590.	30,590.		
c Accounting	0			
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0			
g Other	10,991,078.	4,070,016.	6,921,062.	
12 Advertising and promotion	60,230.	36,119.	24,111.	
13 Office expenses	758,790.	187,234.	571,556.	
14 Information technology	0			
15 Royalties	0			
16 Occupancy	1,380,275.	1,029,144.	351,131.	
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	193,146.	83,511.	109,635.	
20 Interest	326,617.	326,617.		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	3,063,141.	2,052,304.	1,010,837.	
23 Insurance	1,437.	1,437.		
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 SUPPLIES -----	8,156,359.	7,246,419.	909,940.	
b PROVISION FOR BAD DEBT -----	596,678.	596,678.		
c PROFESSIONAL & TECHNICAL -----	1,067,755.	656,661.	411,094.	
d AGENCY NURSES -----	1,135,555.	1,133,082.	2,473.	
e All other expenses -----	132,606.	11,275.	121,331.	
25 Total functional expenses. Add lines 1 through 24e	72,711,632.	48,603,842.	24,079,612.	28,178.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	9,920,188.	1	4,276,959.
	2 Savings and temporary cash investments	1,322,695.	2	532,206.
	3 Pledges and grants receivable, net	4,151,517.	3	3,256,363.
	4 Accounts receivable, net	7,809,070.	4	7,469,108.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	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)	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	13,421.	8	77,113.
	9 Prepaid expenses and deferred charges	132,788.	9	142,850.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 74,745,893.		
	b Less: accumulated depreciation	10b 28,610,920.	35,612,197.	10c 46,134,973.
	11 Investments - publicly traded securities	24,481,127.	11	24,262,642.
	12 Investments - other securities. See Part IV, line 11	9,257,552.	12	8,438,096.
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	626,719.	15	1,251,798.
16 Total assets. Add lines 1 through 15 (must equal line 34)	93,327,274.	16	95,842,108.	
Liabilities	17 Accounts payable and accrued expenses	8,367,668.	17	5,772,187.
	18 Grants payable	0	18	0
	19 Deferred revenue	3,112,279.	19	3,112,279.
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	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	20,534,330.	25	21,020,761.
	26 Total liabilities. Add lines 17 through 25	32,014,277.	26	29,905,227.
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	49,120,790.	27	55,863,167.
	28 Temporarily restricted net assets	7,968,973.	28	5,850,480.
	29 Permanently restricted net assets	4,223,234.	29	4,223,234.
	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	61,312,997.	33	65,936,881.	
34 Total liabilities and net assets/fund balances	93,327,274.	34	95,842,108.	

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	73,833,578.
2	Total expenses (must equal Part IX, column (A), line 25)	2	72,711,632.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,121,946.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	61,312,997.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	3,501,938.
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	65,936,881.

Part XII Financial Statements and Reporting

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

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

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 **LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC**

Employer identification number
52-0607913

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)

- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.

- a Type I b Type II c Type III - Functionally integrated d Type III - Other

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

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

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

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

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

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 col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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

Schedule A (Form 990 or 990-EZ) 2011

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 by a governmental unit; 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. 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 section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Line number, Description, and 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; b 33 1/3% support test - 2010; 17a 10%-facts-and-circumstances test - 2011; b 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 year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

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

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 ►

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

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

2011

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
--	---

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
---	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 622,780.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 240,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5		\$ 90,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
---	---

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	----- ----- -----	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	----- ----- -----	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	----- ----- -----	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
---	---

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
--	---

Part III **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry.
 For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$ _____
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**

▶ **See separate instructions.**

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

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

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

If the organization answered "Yes" to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

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

Name of organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
--	---

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

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

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

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

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)	-----			
(2)	-----			
(3)	-----			
(4)	-----			
(5)	-----			
(6)	-----			

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

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1 a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 70%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2 a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

Table with columns (a) Yes/No and (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation...; a Volunteers?; b Paid staff or management...; c Media advertisements?; d Mailings to members...; e Publications...; f Grants to other organizations...; g Direct contact with legislators...; h Rallies, demonstrations...; i Other activities?; j Total. Add lines 1c through 1i; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; b If "Yes," enter the amount of any tax incurred under section 4912; c If "Yes," enter the amount of any tax incurred by organization managers under section 4912; d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?

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

Table with columns Yes/No. Rows include: 1 Were substantially all (90% or more) dues received nondeductible by members?; 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?; 3 Did the organization agree to carry over lobbying and political expenditures from the prior year?

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

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

Part IV Supplemental Information

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

SEE PAGE 4

Part IV Supplemental Information *(continued)*

SCHEDULE C LOBBYING ACTIVITY BY NONELECTING PUBLIC CHARITIES

LOBBYING INCLUDES A PORTION OF THE MARYLAND HOSPITAL ASSOCIATION DUES RELATED TO LOBBYING ACTIVITIES DURING THE YEAR ENDED JUNE 30, 2012 AND OTHER LOBBYING ACTIVITIES PERFORMED ON BEHALF OF THE HOSPITAL REGARDING COMMUNITY STABILIZATION AND DEVELOPMENT, HEALTHCARE MALPRACTICE, AND LONG TERM CARE.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC

Employer identification number 52-0607913

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... Yes No, 6 Did the organization inform all grantees...

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution..., 3 Number of conservation easements modified..., 4 Number of states where property subject to conservation easement is located..., 5 Does the organization have a written policy..., 6 Staff and volunteer hours..., 7 Amount of expenses..., 8 Does each conservation easement..., 9 In Part XIV, describe how the organization reports...

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.

Table with 2 columns: \$, \$, \$, \$. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report..., 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report..., 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain...

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

Schedule D (Form 990) 2011

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?

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?
b If "Yes," explain the arrangement in Part XIV and complete the following table:
Table with columns: Amount, 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance
2a Did the organization include an amount on Form 990, Part X, line 21?
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.

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows include: 1a Beginning of year balance, b Contributions, c Net investment earnings, gains, and 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 current year end balance (line 1g, column (a)) held as:
a Board designated or quasi-endowment %
b Permanent endowment 100.0000 %
c Temporarily restricted endowment %
The percentages in lines 2a, 2b, and 2c should equal 100%.

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
(i) unrelated organizations
(ii) related organizations
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
Table with columns: Yes, No. Rows: 3a(i), 3a(ii), 3b.

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.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows include: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other, Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) ECONOMIC INTEREST IN FNDTN	8,438,096.	FMV
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	8,438,096.	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (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)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) PENSION LIABILITY	4,847,703.
(3) DEFERRED COMPENSATION	50,475.
(4) CAPTIVE PROFESSIONAL LIABILITY	205,911.
(5) A/P - RELATED PARTIES	4,310,937.
(6) OTHER LIABILITIES	1,560,000.
(7) A/P DUE TO AFFILIATE BONDS	10,045,735.
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	21,020,761.

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

Table with 10 rows for reconciliation of net assets. Rows include: 1 Total revenue, 2 Total expenses, 3 Excess or (deficit) for the year, 4 Net unrealized gains, 5 Donated services, 6 Investment expenses, 7 Prior period adjustments, 8 Other, 9 Total adjustments, 10 Excess or (deficit) per audited statements.

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

Table with 5 main rows for revenue reconciliation. Sub-rows include: 2a Net unrealized gains, 2b Donated services, 2c Recoveries, 2d Other, 2e Add lines 2a-2d, 4a Investment expenses, 4b Other, 4c Add lines 4a-4b.

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

Table with 5 main rows for expense reconciliation. Sub-rows include: 2a Donated services, 2b Prior year adjustments, 2c Other losses, 2d Other, 2e Add lines 2a-2d, 4a Investment expenses, 4b Other, 4c Add lines 4a-4b.

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.

Horizontal dashed lines for providing supplemental information.

Part XIV Supplemental Information (continued)

ENDOWMENT FUNDS

THE PERMANENTLY ENDOWED FUNDS HELD BY THE BALTIMORE JEWISH ELDERCARE FOUNDATION, INC. ARE USED TO SUPPORT LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL, INC.

UNCERTAIN TAX POSITIONS FOR FIN 48

SCHEDULED D PART X

THE ORGANIZATION IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES. LIFEBRIDGE HEALTH AND ITS NOT-FOR-PROFIT SUBSIDIARIES HAVE BEEN RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE ORGANIZATION ACCOUNTS FOR UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH ASC TOPIC 740. THE ORGANIZATION'S FINANCIAL STATEMENTS DO NOT INCLUDE ANY LIABILITY FOR UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH ASC TOPIC 740.

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 **LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC**

Employer identification number
52-0607913

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>300.0000</u> %	X	
b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____%	X	
c 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.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
5c 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?		X
6a Did the organization prepare a community benefit report during the tax year?		X
6b If "Yes," did the organization make it available to the public?		

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			2,120,452.		2,120,452.	2.92
b Medicaid (from Worksheet 3, column a)			14,305,715.		14,305,715.	19.84
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			16,426,167.		16,426,167.	22.76
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits						
k Total. Add lines 7d and 7j.			16,426,167.		16,426,167.	22.76

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

Schedule H (Form 990) 2011

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						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?
- 2 Enter the amount of the organization's bad debt expense 514,456.
- 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy
- 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.

	Yes	No
1		X
2		
3		
4		
5		
6		
7		
9a	X	
9b	X	

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME) 40,777,689.
- 6 Enter Medicare allowable costs of care relating to payments on line 5 31,539,845.
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall) 9,237,844.
- 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:
 Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

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

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

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

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

Name and address

1 LEVINDALE HEBREW GERIATRIC CENTER & HOSP
2434 WEST BELVEDERE AVENUE
BALTIMORE MD 21215

Licensed hospital
General medical & surgical
Children's hospital
Teaching hospital
Critical access hospital
Research facility
ER-24 hours
ER-other

Other (describe)

SPECIALTY HOSPITAL

2

3

4

5

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13

14

15

16

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: LEVINDALE HEBREW GERIATRIC CENTER & HOSP

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

		Yes	No
Community Health Needs Assessment (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 If "Yes," indicate what the Needs Assessment describes (check all that apply):		X
a	<input type="checkbox"/> A definition of the community served by the hospital facility		
b	<input type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input type="checkbox"/> How data was obtained		
e	<input 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 type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 <u> </u> <u> </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		
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		
5	Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a	<input type="checkbox"/> Hospital facility's website		
b	<input 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 type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b	<input type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g	<input type="checkbox"/> Prioritization of health needs in its community		
h	<input 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		
Financial Assistance Policy			
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?	X	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care: <u>3</u> <u>0</u> <u>0</u> % If "No," explain in Part VI the criteria the hospital facility used.	X	

Part V Facility Information (continued) LEVINDALE HEBREW GERIATRIC CENTER & HOSP

	Yes	No
10 Used FPG to determine eligibility for providing <i>discounted care</i> ? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>5</u> <u>0</u> <u>0</u> % If "No," explain in Part VI the criteria the hospital facility used.	X	
11 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):	X	
a <input 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 checked="" type="checkbox"/> State regulation		
h <input type="checkbox"/> Other (describe in Part VI)		
12 Explained the method for applying for financial assistance?	X	
13 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a <input type="checkbox"/> The policy was posted on the hospital facility's website		
b <input type="checkbox"/> The policy was attached to billing invoices		
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d <input 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

14 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	
15 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 type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged:		X
a <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
17 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 checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c <input 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) LEVINDALE HEBREW GERIATRIC CENTER & HOSP

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	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?		X
If "Yes," explain in Part VI.			
21	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?	X	
If "Yes," explain in Part VI.			

Part V Facility Information (continued)

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

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 1

Name and address	Type of Facility (describe)
1 LEVINDALE HEBREW GERIATRIC CENTER & HOSP 2434 WEST BELVEDERE AVENUE BALTIMORE MD 21215	NURSING HOME
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the 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 hospitals 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.

PART I, LINE 3C:

LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL, INC. PROVIDES CARE WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES, TO PATIENTS WHO MEET THE CRITERIA OF ITS CHARITY CARE POLICY. IT DOES NOT PURSUE THE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE AND THOSE AMOUNTS ARE NOT REPORTED AS REVENUE. THE CRITERIA FOR CHARITY CARE CONSIDER GROSS INCOME AND FAMILY SIZE ACCORDING TO CURRENT FEDERAL POVERTY GUIDELINES. PATIENTS WITH AN ANNUAL INCOME UP TO 300% OF THE FEDERAL POVERTY LEVEL MAY HAVE 100% OF THEIR HOSPITAL BILLS COVERED BY FINANCIAL ASSISTANCE. TO QUALIFY, THE PATIENT MUST SHOW PROOF OF INCOME 300% OR LESS OF THE FEDERAL POVERTY GUIDELINES. PATIENTS SLIGHTLY ABOVE 300% ANNUAL INCOME MAY HAVE A PORTION OF THEIR MEDICAL BILLS COVERED BY FINANCIAL ASSISTANCE BASED ON A SLIDING SCALE. ELIGIBILITY IS CALCULATED BASED ON THE NUMBER OF PEOPLE LIVING IN THE HOUSEHOLD.

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 hospitals 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.

PART I, LINE 7:

MARYLAND'S REGULATORY SYSTEM CREATES A UNIQUE PROCESS FOR HOSPITAL PAYMENT THAT DIFFERS FROM THE REST OF THE NATION. THE HEALTH SERVICES COST REVIEW COMMISSION (HSCRC) DETERMINES PAYMENT THROUGH A RATE-SETTING PROCESS AND ALL PAYORS, INCLUDING GOVERNMENTAL PAYORS, PAY THE SAME AMOUNT FOR THE SAME SERVICES DELIVERED AT THE SAME HOSPITAL. MARYLAND'S UNIQUE ALL-PAYOR SYSTEM INCLUDES A METHOD FOR REFERENCING UNCOMPENSATED CARE IN EACH PAYORS RATES, WHICH DOES NOT ENABLE MARYLAND HOSPITALS TO BREAK-OUT ANY OFFSETTING REVENUE RELATED TO UNCOMPENSATED CARE. THE COST OF RENDERING SERVICES FOR MEDICAL ASSISTANCE PATIENTS IS EQUAL TO MEDICAID REVENUES IN MARYLAND. THUS, THE NET EFFECT IS ZERO. THE EXCEPTION TO THIS IS THE IMPACT ON THE HOSPITAL OF ITS SHARE OF THE MEDICAID ASSESSMENT. IN RECENT YEARS, THE STATE OF MARYLAND HAS CLOSED FISCAL GAPS IN THE STATE MEDICAID BUDGET BY ASSESSING HOSPITALS THROUGH THE RATE-SETTING SYSTEM.

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 hospitals 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.

PART III, LINE 4:

THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS, IN CONFORMITY WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, REQUIRES MANAGEMENT TO MAKE ESTIMATES AND ASSUMPTIONS. ALL PATIENT ACCOUNTS ARE HANDLED CONSISTENTLY AND APPROPRIATELY TO MAXIMIZE CASH FLOW AND TO IDENTIFY BAD DEBT ACCOUNTS TIMELY. ACTIVE ACCOUNTS ARE CONSIDERED BAD DEBT ACCOUNTS WHEN THEY MEET SPECIFIC COLLECTION ACTIVITY GUIDELINES AND/OR ARE REVIEWED BY THE APPROPRIATE MANAGEMENT AND DEEMED TO BE UNCOLLECTIBLE. EVERY EFFORT IS MADE TO IDENTIFY AND PURSUE ALL ACCOUNT BALANCE LIQUIDATION OPTIONS INCLUDING, BUT NOT LIMITED TO THIRD PARTY PAYOR REIMBURSEMENT, PATIENT PAYMENT ARRANGEMENTS, MEDICAID ELIGIBILITY AND FINANCIAL ASSISTANCE. THIRD PARTY RECEIVABLE MANAGEMENT AGENCIES PROVIDE EXTENDED BUSINESS OFFICE SERVICES AND INSURANCE OUTSOURCE SERVICES TO ENSURE MAXIMUM EFFORT IS TAKEN TO RECOVER INSURANCE AND SELF-PAY DOLLARS BEFORE TRANSFER TO BAD DEBT. CONTRACTUAL ARRANGEMENTS WITH THIRD PARTY COLLECTION AGENCIES ARE USED TO ASSIST IN THE RECOVERY OF BAD DEBT DOLLARS AFTER ALL INTERNAL COLLECTION EFFORTS HAVE BEEN EXHAUSTED. IN SO

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 hospitals 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.

DOING, THE COLLECTION AGENCIES MUST OPERATE CONSISTENTLY WITH LEVINDALE
HEBREW GERIATRIC CENTER AND HOSPITAL'S GOAL OF MAXIMUM BAD DEBT RECOVERY
AND STRICT ADHERENCE WITH FAIR DEBT COLLECTIONS PRACTICES ACT (FDCPA)
RULES AND REGULATIONS, WHILE MAINTAINING POSITIVE PATIENT RELATIONS.

PART III, LINE 8:

TOTAL REVENUE RECEIVED FROM MEDICARE (DSH & IME) AND MEDICARE ALLOWABLE
COSTS ARE DERIVED FROM THE ANNUAL MEDICARE COST REPORT. THE INPATIENT
ROUTINE COSTS ARE DERIVED FROM THE STEP-DOWN METHODOLOGY BASED ON
ACCEPTED STATISTICAL ALLOCATION WITH A UNIFORM PER DIEM COST FOR EACH
PAYOR TYPE. THE ANCILLARY MEDICARE ALLOWABLE COSTS ARE INITIALLY DERIVED
FROM THE STEP-DOWN METHODOLOGY BUT ARE ALLOCATED TO THE PAYOR TYPES BASED
ON THE RATIO OF COST TO CHARGE FOR EACH PAYOR.

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 hospitals 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.

PART III, LINE 9B:

LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL, INC. PROVIDES CARE WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES, TO PATIENTS WHO MEET THE CRITERIA OF ITS CHARITY CARE POLICY. IT DOES NOT PURSUE THE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE AND THOSE AMOUNTS ARE NOT REPORTED AS REVENUE. THE CRITERIA FOR CHARITY CARE CONSIDER GROSS INCOME AND FAMILY SIZE ACCORDING TO CURRENT FEDERAL POVERTY GUIDELINES. PATIENTS WITH AN ANNUAL INCOME UP TO 300% OF THE FEDERAL POVERTY LEVEL MAY HAVE 100% OF THEIR HOSPITAL BILLS COVERED BY FINANCIAL ASSISTANCE. TO QUALIFY, THE PATIENT MUST SHOW PROOF OF INCOME 300% OR LESS OF THE FEDERAL POVERTY GUIDELINES. PATIENTS SLIGHTLY ABOVE 300% ANNUAL INCOME MAY HAVE A PORTION OF THEIR MEDICAL BILLS COVERED BY FINANCIAL ASSISTANCE BASED ON A SLIDING SCALE. ELIGIBILITY IS CALCULATED BASED ON THE NUMBER OF PEOPLE LIVING IN THE HOUSEHOLD.

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 hospitals 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.

PART V, LINE 19

HEALTH SERVICES COST REVIEW COMMISSION REGULATED RATES.

PART V, LINE 21

ONLY PATIENTS APPROVED RETROSPECTIVELY (DETERMINED ELIGIBLE AFER THE DATE OF SERVICE) ARE CHARGED. ONCE ELIGIBILITY IS DETERMINED, CHANGES ARE ADJUSTED IN ACCORDANCE WITH POLICY.

NEEDS ASSESSMENT:

COMMUNITY NEEDS ASSESSMENTS ARE DONE IN A VARIETY OF WAYS, ACCORDING TO THE HOSPITAL DEPARTMENTS INVOLVED AND THE CONSTITUENCIES THEY SERVE. THE FOLLOWING ARE USED MOST COMMONLY: A) CLINICAL DEPARTMENT NEED RECOGNITION BASED ON DAILY PATIENT CARE AND PROFESSIONAL EXPERIENCE, B) PARTICIPATION IN COMMUNITY COALITIONS, C) PROGRAM DEVELOPMENT BASED ON EXPRESSED CLIENT NEEDS, AND D) FORMAL NEEDS ASSESSMENT CONDUCTED BY AN EXTERNAL CONSULTANT.

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 hospitals 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.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

FINANCIAL ASSISTANCE INFORMATION IS MADE AVAILABLE TO THE PUBLIC THROUGH MULTIPLE SOURCES INCLUDING: THE ADMISSION PACKET, PAMPHLETS LOCATED IN PATIENT ACCESS, PATIENT FINANCIAL SERVICES, AS WELL AS OTHER PATIENT ACCESS POINTS THROUGHOUT THE HOSPITAL.

COMMUNITY INFORMATION:

LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL IS LOCATED IN THE NORTHWEST QUADRANT OF BALTIMORE CITY. IT DRAWS MANY PATIENTS FROM THE NEIGHBORHOODS PROXIMATE TO THE FACILITY. CONSISTENT WITH ITS MISSION TO SERVE THE JEWISH COMMUNITY, LEVINDALE ALSO SERVES PATIENTS FROM THROUGHOUT THE BALTIMORE METROPOLITAN AREA. IN ADDITION, AS ONE OF A SMALL NUMBER OF CHRONIC HOSPITALS IN THE STATE, LEVINDALE DRAWS PATIENTS FROM ACROSS CENTRAL MARYLAND.

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 hospitals 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.

AFFILIATED HEALTH CARE SYSTEM ROLES:

LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL PROVIDES MEALS TO RESIDENTS WHO ARE UNABLE TO PREPARE A MEAL FOR THEMSELVES DUE TO AGE AND MEDICAL CONDITIONS. LEVINDALE PROVIDES MEALS TO ADULT DAY CARE AND ASSISTED LIVING FACILITIES IN THE NEIGHBORHOOD. SINAI HOSPITAL OF BALTIMORE AND NORTHWEST HOSPITAL ARE AFFILIATES AND DISCHARGED PATIENTS REQUIRING CHRONIC HOSPITAL AND SUB-ACUTE CARE ARE OFTEN ADMITTED TO LEVINDALE FOR FURTHER CARE.

**SCHEDULE I
(Form 990)**

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

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

Name of the organization **LEVINDALE HEBREW GERIATRIC CENTER
AND HOSPITAL INC**

Employer identification number
52-0607913

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

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

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								

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

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

Schedule I (Form 990) (2011)

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1					
2					
3					
4					
5					
6					
7					

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

GRANTS AND ASSISTANCE

LEVINDALE DID NOT MAKE GRANTS OF MORE THAN \$5,000 DURING THE YEAR AND THEREFORE, NO GRANTS ARE REQUIRED TO BE LISTED ON SCHEDULE I.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization **LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC**

Employer identification number
52-0607913

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 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

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 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.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" 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 |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- 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 section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

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

- a** The organization?
- 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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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 column (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 & incentive compensation	(iii) Other reportable compensation				
1 ARIC SPITULNIK	(i)	247,714.	65,327.	8,439.	37,554.	26,626.	385,660.	0
	(ii)	0	0	0	0	0	0	0
2 WARREN GREEN	(i)	0	0	0	0	0	0	0
	(ii)	791,069.	473,282.	174,548.	22,992.	17,649.	1,479,540.	149,048.
3 CHARLES ORLANDO	(i)	0	0	0	0	0	0	0
	(ii)	421,320.	210,159.	141,773.	103,035.	22,915.	899,202.	112,860.
4 SUSAN LEVY STROHM M.D.	(i)	241,378.	57,602.	61,676.	64,244.	15,729.	440,629.	39,810.
	(ii)	0	0	0	0	0	0	0
5 RAUL LUJAN	(i)	186,398.	33,147.	36,070.	46,072.	14,043.	315,730.	30,744.
	(ii)	0	0	0	0	0	0	0
6 CATHY GALLO	(i)	132,518.	39,147.	17,697.	23,105.	7,826.	220,293.	0
	(ii)	0	0	0	0	0	0	0
7 JOCELYN EI-SAYED	(i)	171,883.	70,550.	417.	9,227.	762.	252,839.	0
	(ii)	0	0	0	0	0	0	0
8 SUNIL RAJANI	(i)	199,308.	25,003.	3,893.	42,656.	21,167.	292,027.	0
	(ii)	0	0	0	0	0	0	0
9 GIZAW WOLDEHIWOT M.D.	(i)	174,643.	36,466.	1,466.	8,071.	20,077.	240,723.	0
	(ii)	0	0	0	0	0	0	0
10 BABATUNDE AJANI M.D.	(i)	170,676.	6,474.	334.	6,083.	647.	184,214.	0
	(ii)	0	0	0	0	0	0	0
11 SURAIYA BEGUM M.D.	(i)	174,037.	5,500.	1,450.	5,515.	20,386.	206,888.	0
	(ii)	0	0	0	0	0	0	0
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

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

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

PART I, LINE 4B

DURING THE YEAR, THE FOLLOWING LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL BOARD MEMBERS AND OFFICERS WERE PARTICIPANTS IN A LIFEBRIDGE HEALTH SPONSORED SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN AND RECEIVED THE FOLLOWING PAYMENTS:

WARREN A GREEN	\$149,048
CHARLES ORLANDO	\$112,860
SUSAN LEVY-STROHM	\$39,810
RAUL LUJAN	\$30,744
ARIC SPITULNIK	NONE
CATHY GALLO	NONE

COMPENSATION PROVIDED BY RELATED ORGANIZATIONS

MR. GREEN'S COMPENSATION WAS PAID BY SINAI HOSPITAL OF BALTIMORE. HE RECEIVED COMPENSATION AS PRESIDENT / CEO LIFEBRIDGE HEALTH, INC., NOT AS A DIRECTOR. MR. ORLANDO RECEIVED COMPENSATION AS CHIEF FINANCIAL OFFICER LIFEBRIDGE HEALTH, INC. HIS COMPENSATION WAS PAID BY SINAI HOSPITAL OF BALTIMORE, INC.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization **LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC**

Employer identification number
52-0607913

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

- 2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										

Total ▶ \$ _____

Part III Grants or Assistance Benefiting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

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

Schedule L (Form 990 or 990-EZ) 2011

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ACME PAPER AND SUPPLY, CO	SEE PART V	2,200,000.	SEE PART V		X
(2) BALTIMORE HEART ASSOCIATES, PA	SEE PART V	304,275.	SEE PART V		X
(3) THE LAW OFFICE OF FRED S LONDON PC	SEE PART V	1,016,184.	SEE PART V		X
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

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

BUSINESS TRANSACTIONS

FORM 990, SCHEDULE L, PART IV, LINE 28C

LEVINDALE HEBREW GERIATRIC CENTER, INC. AND THE LIFEBRIDGE HEALTH SUBSIDIARIES RECEIVED \$2,200,000 IN PAPER SUPPLIES FROM ACME PAPER AND SUPPLY, CO. ONE OF THE DIRECTORS OF LEVINDALE HEBREW GERIATRIC CENTER, INC., MR. KEITH ATTMAN, IS THE DIRECTOR OF PURCHASING FOR ACME PAPER AND SUPPLY, CO. MR. ATTMAN'S FAMILY ALSO OWNS ACME PAPER AND SUPPLY, CO. ALL TRANSACTIONS WERE AT FAIR MARKET VALUE AND NEGOTIATED AT ARM'S LENGTH.

LEVINDALE HEBREW GERIATRIC CENTER AND OTHER LIFEBRIDGE HEALTH SUBSIDIARIES RECEIVED \$304,275 IN EKG AND ECHO READING SERVICES FROM BALTIMORE HEART ASSOCIATES, PA. ONE OF THE DIRECTORS OF LEVINDALE, DR. RUBIN, IS ASSOCIATED WITH THE FIRM. ALL TRANSACTIONS WERE AT FAIR MARKET VALUE AND NEGOTIATED AT ARM'S LENGTH.

LIFEBRIDGE HEALTH SUBSIDIARIES RECEIVED \$1,016,184 OF COLLECTION SERVICES FROM THE LAW OFFICE OF FRED S. LONDON PC. ONE OF THE DIRECTORS OF LEVINDALE, SCOTT LONDON, IS AN ATTORNEY FOR THE FIRM. ALL TRANSACTIONS WERE AT FAIR MARKET VALUE AND WERE NEGOTIATED AT ARM'S LENGTH.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Name of the organization **LEVINDALE HEBREW GERIATRIC CENTER
AND HOSPITAL INC**

Employer identification number
52-0607913

GOVERNING BODY MEMBERS

FORM 990, PART VI, LINES 6 AND 7

THE CORPORATION SHALL HAVE ONE MEMBER: LIFEBRIDGE HEALTH, INC., (THE "MEMBER") A MARYLAND NONSTOCK CORPORATION. MEMBERSHIP IN THE CORPORATION SHALL NOT BE TRANSFERABLE. THE MEMBER SHALL HAVE THE EXCLUSIVE POWER AND AUTHORITY TO TAKE THE FOLLOWING ACTIONS: (1) EXCEPT FOR EX OFFICIO DIRECTORS AS PROVIDED FOR IN THE BYLAWS, TO NOMINATE, ELECT, AND REMOVE, WITH OR WITHOUT CAUSE, THE DIRECTORS OF THE CORPORATION; (2) TO APPOINT THE PRESIDENT OF THE CORPORATION WITH THE ADVICE AND CONSENT OF THE BOARD OF DIRECTORS; TO NOMINATE AND ELECT THE CORPORATION'S CHAIR, VICE CHAIR, SECRETARY, AND TREASURER; AND TO REMOVE EACH OF THE ABOVE-NAMED OFFICERS (WITH OR WITHOUT CAUSE), PROVIDED THAT THE BOARD OF DIRECTORS OF THE CORPORATION SHALL ALSO HAVE THE POWER TO REMOVE ANY OFFICER OF THE CORPORATION.

REVIEW OF FORM 990 BY GOVERNING BODY AND COMMITTEES

FORM 990, PART VI, LINE 11

THE LIFEBRIDGE EXEMPT ENTITIES 990'S ARE INITIALLY REVIEWED BY THE CORPORATE DIRECTOR OF FINANCE. IN ADDITION, AN INDEPENDENT ACCOUNTING FIRM ALSO REVIEWS ALL THE 990 RETURNS. A FORMAL MEETING IS THEN SCHEDULED WITH THE CHIEF FINANCIAL OFFICER, VICE PRESIDENT OF FINANCE, GENERAL COUNSEL, CORPORATE CONTROLLER AND THE CORPORATE DIRECTOR OF FINANCE TO REVIEW IN THEIR ENTIRETY ALL THE LIFEBRIDGE EXEMPT ENTITIES 990'S.

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
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MANAGEMENT THEN PROVIDES A COPY OF THE 990'S TO EACH INDIVIDUAL BOARD DIRECTOR PRIOR TO THE FILING DATE FOR REVIEW.

CONFLICT OF INTEREST POLICY

FORM 990, PART VI, LINE 12C

LIFEBRIDGE AND ALL OF ITS SUBSIDIARIES REQUIRE ALL EMPLOYEES, MEDICAL STAFF, MEMBERS OF THE BOARD, AND THE EXECUTIVE STAFF TO DISCLOSE ANY ACTIVITIES THAT COULD RESULT IN A POSSIBLE CONFLICT OF INTEREST. IF A CONFLICT IS IDENTIFIED, THE PERSON INVOLVED WOULD RECUSE HIM/HERSELF FROM DELIBERATIONS REGARDING THE TRANSACTIONS. AN INDIVIDUAL IS CONSIDERED TO HAVE A CONFLICT OF INTEREST WITH REGARD TO A MATTER OR TRANSACTION IF THE INDIVIDUAL HAS A PERSONAL OR FINANCIAL INTEREST THAT HAS THE POTENTIAL TO INFLUENCE THE ACTION TAKEN BY THE INDIVIDUAL ON BEHALF OF LIFEBRIDGE OR ANY OF ITS SUBSIDIARIES. AN INDIVIDUAL IS CONSIDERED TO HAVE A "PERSONAL INTEREST" IN A MATTER IF IT IS LIKELY TO HAVE A DIRECT AND MATERIAL IMPACT ON THE INDIVIDUAL'S RELATIONSHIP WITH LIFEBRIDGE OR ANY OF ITS SUBSIDIARIES (E.G., THE INDIVIDUAL'S CONTINUED MEMBERSHIP ON A SUBSIDIARY HOSPITAL'S MEDICAL STAFF), OR ON THE INDIVIDUAL'S OWN HEALTH CARE, OR THE INDIVIDUAL IS PERSONALLY INVOLVED IN A SUBSTANTIAL WAY (E.G., SERVES AS AN OFFICER OR DIRECTOR) WITH ANOTHER ORGANIZATION THAT HAS A SIGNIFICANT INTEREST IN THE MATTER. AN INDIVIDUAL IS CONSIDERED TO HAVE A "FINANCIAL INTEREST" IN A TRANSACTION IF THE INDIVIDUAL IS A PARTY TO THE TRANSACTION, OR IF THE INDIVIDUAL HAS, DIRECTLY OR INDIRECTLY A CURRENT OR POTENTIAL OWNERSHIP OR INVESTMENT INTEREST IN A PARTY TO THE TRANSACTION OR A CURRENT OR POTENTIAL COMPENSATION ARRANGEMENT WITH A PARTY TO THE TRANSACTION. A "COMPENSATION ARRANGEMENT" INCLUDES DIRECT

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
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AND INDIRECT REMUNERATION AS WELL AS GIFTS OR FAVORS OF A SUBSTANTIAL NATURE. AN INDIVIDUAL WILL BE CONSIDERED TO HAVE A CONFLICT OF INTEREST WITH RESPECT TO A MATTER OR TRANSACTION IF A MEMBER OF THE INDIVIDUAL'S IMMEDIATE FAMILY HAS SUCH A CONFLICT. FOR THESE PURPOSES, A "MEMBER" OF AN INDIVIDUAL'S "IMMEDIATE FAMILY" MEANS AN INDIVIDUAL'S SPOUSE, MOTHER, FATHER, MOTHER-IN-LAW, FATHER-IN-LAW, GRANDFATHER, GRANDMOTHER, BROTHER, SISTER, BROTHER-IN-LAW, SISTER-IN-LAW, SON, DAUGHTER, SON-IN-LAW, OR DAUGHTER-IN-LAW. "STEP" RELATIONSHIPS (E.G., STEPCHILDREN AND STEPPARENTS) WILL BE TREATED THE SAME AS BLOOD RELATIONSHIPS, EXCEPT AS DETERMINED OTHERWISE IN A SPECIFIC CIRCUMSTANCE BY THE LIFEBRIDGE CEO OR THE PRESIDENT OR DESIGNEE OF THE APPROPRIATE LIFEBRIDGE SUBSIDIARY. ORDINARILY, OWNERSHIP OF LESS THAN 5% OF AN ENTITY DOES NOT CONSTITUTE AN OWNERSHIP INTEREST FOR WHICH DISCLOSURE IS NEEDED. CONFLICTS OF INTEREST ARE TO BE REPORTED BY EMPLOYEES TO THEIR SUPERVISOR, WHO WILL BE RESPONSIBLE FOR DETERMINING WHETHER FURTHER DISSEMINATION IS NECESSARY. MEMBERS OF THE MEDICAL STAFF SHOULD REPORT CONFLICTS TO THE CHIEF OF THEIR DEPARTMENT, AND MEMBERS OF THE BOARD SHOULD REPORT THEM TO EITHER THE CHAIRMAN OF THE BOARD OR THE OFFICE OF GENERAL COUNSEL. QUESTIONNAIRES ARE SENT OUT TO MEMBERS OF THE BOARD ON AN ANNUAL BASIS. IF QUESTIONS ARISE OR FURTHER GUIDANCE IS SOUGHT, CONFLICTS SHOULD ALSO BE REPORTED TO THE INTEGRITY HOTLINE OR OFFICE OF GENERAL COUNSEL. NOTHING IN THIS DEFINITION IS INTENDED TO RELIEVE ANY PERSON OF ANY ADDITIONAL OBLIGATIONS THAT MAY BE IMPOSED BY STATE OR FEDERAL LAW.

PROCESS FOR DETERMINING EXECUTIVE COMPENSATION

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
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FORM 990, PART VI, LINE 15A & 15B

EXECUTIVE COMPENSATION AT LIFEBRIDGE HEALTH IS OVERSEEN BY THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS. COMMITTEE MEMBERS MAY NOT HAVE ANY FINANCIAL TIES TO THE ORGANIZATION AND MUST BE BOARD MEMBERS OF LIFEBRIDGE HEALTH OR A LIFEBRIDGE HOSPITAL. THE CHAIR OF THE LIFEBRIDGE HEALTH BOARD OF DIRECTORS SERVES AS COMMITTEE CHAIR. THE COMMITTEE PROVIDES A REPORT OF ITS ACTIVITIES TO THE FULL BOARD OF DIRECTORS AT LEAST ANNUALLY. COMPENSATION PACKAGES HAVE BEEN DESIGNED TO ATTRACT AND RETAIN SKILLED AND EXPERIENCED EXECUTIVES AND TO INCENTIVIZE THEM TO WORK TOWARD KEY STRATEGIC OBJECTIVES. THE COMMITTEE EMPLOYS INDEPENDENT CONSULTANTS TO ENSURE THAT COMPENSATION LEVELS ARE CONSISTENT WITH MARKET NORMS. GREATEST EMPHASIS IS PLACED UPON DATA FROM HEALTHCARE ORGANIZATIONS OF COMPARABLE SIZE AND ORGANIZATIONAL COMPLEXITY IN THE MID-ATLANTIC REGION. ALL EXECUTIVE INCENTIVE AND BENEFIT PROGRAMS ARE ESTABLISHED BY THE COMPENSATION COMMITTEE, AS IS THE BASE SALARY OF THE CHIEF EXECUTIVE OFFICER AND ALL SENIOR VICE PRESIDENTS. BASE SALARIES OF OTHER EXECUTIVES ARE SET BY THEIR RESPECTIVE SUPERVISORS, IN ACCORDANCE WITH GUIDELINES ESTABLISHED BY THE COMMITTEE AND SUBJECT TO THE COMMITTEE'S OVERSIGHT. A SUBSTANTIAL PORTION OF ALL EXECUTIVES' TOTAL COMPENSATION IS CONTINGENT UPON THE ACHIEVEMENT OF BOTH SYSTEM-WIDE AND INDIVIDUAL OBJECTIVES. EACH YEAR'S SYSTEM-WIDE OBJECTIVES ARE APPROVED BY THE COMPENSATION COMMITTEE AND TYPICALLY INCLUDE BOTH FINANCIAL AND NONFINANCIAL GOALS. AN EXECUTIVE WHO FAILS TO ACHIEVE THE OBJECTIVES ESTABLISHED FOR THE INCENTIVE PROGRAMS WILL EARN BELOW MARKET LEVELS; CONVERSELY, THE ATTAINMENT OF EXTRAORDINARY RESULTS WILL BE REWARDED BY ABOVE-AVERAGE COMPENSATION.

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER
AND HOSPITAL INC

Employer identification number
52-0607913

GOVERNING DOCUMENTS, FINANCIAL STATEMENTS AND CONFLICT POLICY

FORM 990, PART VI, LINE 19

IT IS THE POLICY OF LIFEBRIDGE HEALTH INC. AND ITS SUBSIDIARIES TO MAKE AVAILABLE UPON REQUEST THE AUDITED FINANCIAL STATEMENTS TO THE GENERAL PUBLIC. THE LIFEBRIDGE HEALTH INC. AND SUBSIDIARY GOVERNING DOCUMENTS ARE NOT MADE AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST OR VIA A WEBSITE. THE CONFLICT OF INTEREST POLICY IS INCLUDED ON SCHEDULE O. BOARD OF DIRECTORS ADDRESSES FORM 990, PART VI, LINE 9: ALL OF THE OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES LISTED IN PART VII, SECTION A, CAN BE REACHED AT THE ORGANIZATION'S MAILING ADDRESS:

LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC
2434 WEST BELVEDERE AVENUE
BALTIMORE, MD 21215

OTHER CHANGES IN NET ASSETS

FORM 990, PART XI, LINE 5

ADJUSTMENT TO PENSION BENEFIT OBLIGATION	581,188
DECREASE IN PLEDGE RECEIVABLES	(895,153)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	(732,891)
UNREALIZED LOSSES ON INVESTMENTS	(587,612)
CHANGES IN NET ASSETS OF BALTIMORE JEWISH ELDER FDTN	(819,456)
OPERATING EXPENDITURES - TEMPORARILY RESTR NET ASSETS	2,480,572
TRANSFER TO AFFILIATE	3,475,291

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
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TOTAL OTHER CHANGES IN NET ASSETS 3,501,938

DUE TO AFFILIATES - BONDS

ON JANUARY 8, 2008, LIFEBRIDGE HEALTH, INC., TOGETHER WITH ITS AFFILIATES SINAI HOSPITAL OF BALTIMORE, NORTHWEST HOSPITAL CENTER, LEVINDALE HEBREW AND GERIATRIC CENTER, CHILDREN'S HOSPITAL AT SINAI FOUNDATION, AND THE BALTIMORE JEWISH HEALTH FOUNDATION (COLLECTIVELY, THE OBLIGATED GROUP) BORROWED \$285,815,000 FROM THE MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (THE AUTHORITY) TO FINANCE THE ADVANCE REFUNDING OF THE 2004 SERIES A AND 2004 SERIES B BONDS AND TO FINANCE VARIOUS CONSTRUCTION AND RENOVATION PROJECTS. THE AUTHORITY OBTAINED THE FUNDS FOR THIS FINANCING THROUGH THE ISSUANCE OF BONDS UNDER THE MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (MHHEFA) REVENUE BONDS, LIFEBRIDGE HEALTH ISSUE, SERIES 2008, COLLATERALIZED BY ALL RECEIPTS OF THE OBLIGATED GROUP. THE BONDS WERE ISSUED AT A PREMIUM OF \$3,278,562, OF WHICH LEVINDALE'S PORTION IS \$27,730, WHICH IS BEING AMORTIZED OVER THE LIFE OF THE BOND ISSUE. THE MEMBERS OF THE OBLIGATED GROUP ARE JOINTLY AND SEVERALLY LIABLE FOR REPAYMENT OF THE PRINCIPAL AND LOAN AND INTEREST THEREON. AS OF JUNE 30, 2012, \$277,920,677 OF THE TOTAL AMOUNT BORROWED APPEARS AS DUE TO LIFEBRIDGE HEALTH, OF WHICH LEVINDALE'S PORTION IS \$2,350,606. ALL THE BONDS WERE ISSUED IN THE NAME OF LIFEBRIDGE AND ARE REPORTED ON SCHEDULE K OF ITS FORM 990.

ON MARCH 30, 2011, LIFEBRIDGE HEALTH, INC., TOGETHER WITH ITS AFFILIATES SINAI HOSPITAL OF BALTIMORE, NORTHWEST HOSPITAL CENTER, LEVINDALE HEBREW

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
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AND GERIATRIC CENTER, CHILDREN'S HOSPITAL AT SINAI FOUNDATION, AND THE BALTIMORE JEWISH HEALTH FOUNDATION (COLLECTIVELY, THE OBLIGATED GROUP) BORROWED \$50,695,000 FROM THE MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (THE AUTHORITY) TO FINANCE A CONSTRUCTION AND EXPANSION PROJECT OF LEVINDALE HEBREW GERIATRIC CENTER & HOSPITAL AND TO FINANCE VARIOUS CONSTRUCTION AND RENOVATION PROJECTS AT SINAI HOSPITAL OF BALTIMORE AND NORTHWEST HOSPITAL CENTER. THE AUTHORITY OBTAINED THE FUNDS FOR THIS FINANCING THROUGH THE ISSUANCE OF BONDS UNDER THE MARYLAND HEALTH AND HIGHER EDUCATIONAL FACILITIES AUTHORITY (MHHEFA) REVENUE BONDS, LIFEBRIDGE HEALTH ISSUE, SERIES 2011, COLLATERALIZED BY ALL RECEIPTS OF THE OBLIGATED GROUP. THE BONDS WERE ISSUED AT A DISCOUNT OF \$55,766, OF WHICH LEVINDALE'S PORTION IS \$8,474, WHICH IS BEING AMORTIZED OVER THE LIFE OF THE BOND ISSUE. THE MEMBERS OF THE OBLIGATED GROUP ARE JOINTLY AND SEVERALLY LIABLE FOR REPAYMENT OF THE PRINCIPAL AND LOAN AND INTEREST THEREON. AS OF JUNE 30, 2012, \$50,642,635 OF THE TOTAL AMOUNT BORROWED, OF WHICH LEVINDALE'S PORTION IS \$7,695,547, APPEARS AS DUE TO LIFEBRIDGE HEALTH. ALL THE BONDS WERE ISSUED IN THE NAME OF LIFEBRIDGE AND ARE REPORTED ON SCHEDULE K OF ITS FORM 990.

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

LEVINDALE IS A GERIATRIC CENTER AND HOSPITAL DEDICATED TO PROVIDING SUPERIOR SERVICE IN A COST EFFECTIVE MANNER FOR THE AGED, FRAIL AND ILL IN INSTITUTIONAL, COMMUNITY AND HOME SETTINGS. AS AN ADVOCATE FOR THE ELDERLY, LEVINDALE ACCEPTS A LEADERSHIP ROLE IN DEFINING AND DEVELOPING, IN COLLABORATION WITH OTHER AGENCIES, A COMPREHENSIVE CONTINUUM OF NURSING, MEDICAL, AND SOCIAL SERVICES WITHIN THE JEWISH

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
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ATTACHMENT 1 (CONT'D)FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

COMMUNITY OF THE BALTIMORE METROPOLITAN AREA. PROGRAMS ARE OPERATED WITHIN THE VALUES INHERENT IN JUDAISM PURSUANT TO LEVINDALE'S CHARTER.

ATTACHMENT 2FORM 990, PART III - PROGRAM SERVICE, LINE 4C

LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL IS A SPECIALTY HOSPITAL AND NURSING HOME WITH 330 BEDS. LEVINDALE PROVIDES SPECIALTY LONG-STAY HOSPITAL SERVICE, REHABILITATION CARE, BEHAVIORAL HEALTH CARE, COMPREHENSIVE NURSING CARE & OUTPATIENT ADULT DAY CARE. LEVINDALE'S MISSION IS TO PROVIDE TO THE COMMUNITY QUALITY MEDICAL HEALTHCARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, AGE OR ABILITY TO PAY. LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL PROVIDED 32,473 INPATIENT DAYS: 11,746 IN THE CHRONIC UNIT, 1,156 IN THE REHABILITATION UNIT AND 19,571 IN THE BEHAVIORAL HEALTH UNIT. FURTHERMORE, LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL'S NURSING FACILITY PROVIDED 49,108 PATIENT DAYS IN ADDITION TO 12,843 IN THE SKILLED NURSING FACILITY. LEVINDALE HAS ALSO PROVIDED 20,356 DAYS IN ITS ADULT DAY CARE PROGRAM. THE PARTIAL HOSPITALIZATION PROGRAM HAD 4,667 DAYS. OTHER PROGRAM SERVICE EXPENSES INCLUDE CAFETERIA FOR RESIDENTS, VISITORS AND STAFF, AS WELL AS TRANSPORTATION FOR THE ELDERLY TO PROGRAMS RUN BY LEVINDALE.

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
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ATTACHMENT 3

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
ARIC SPITULNIK PRESIDENT/COO/DIRECTOR	1.00
WARREN GREEN CEO/DIRECTOR	45.00
BERNARD RUBIN M.D. DIRECTOR	1.00
CHARLES ORLANDO CHIEF FINANCIAL OFFICER	45.00

ATTACHMENT 4

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

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
ARAMARK CORPORATION HSS PO BOX 828441 PHILADELPHIA, PA 19182	FOOD SERVICES	2,676,533.
RENAL TREATMENT CENTERS PO BOX 403008 ATLANTA, GA 30384	RENAL DIALYSIS	418,015.
LOVING CARE SERVICES INC 222 MILFORD MILL RD PIKESVILLE, MD 21208	AGENCY NURSING	693,026.
SMITH NURSING AGENCY 24 WEST PENNSYLVANIA AVENUE TOWSON, MD 21204	AGENCY NURSING	214,047.
CROTHALL SERVICES GROUP 13028 COLLECTION CENTER DR CHICAGO, IL 60693	CONTRACT CLEANING	329,631.
TOTAL COMPENSATION		<u>4,331,252.</u>

Name of the organization **LEVINDALE HEBREW GERIATRIC CENTER
AND HOSPITAL INC**

Employer identification number
52-0607913

ATTACHMENT 5

FORM 990, PART VIII - INVESTMENT INCOME

<u>DESCRIPTION</u>	<u>(A)</u> <u>TOTAL</u> <u>REVENUE</u>	<u>(B)</u> <u>RELATED OR</u> <u>EXEMPT REVENUE</u>	<u>(C)</u> <u>UNRELATED</u> <u>BUSINESS REV.</u>	<u>(D)</u> <u>EXCLUDED</u> <u>REVENUE</u>
INTEREST ON SAVINGS AND TEMP CASH INV	71,670.			71,670.
DIVIDENDS / INTEREST FROM SECURITIES	723,956.			723,956.
TOTALS	<u>795,626.</u>			<u>795,626.</u>

LEVINDALE HEBREW GERIATRIC CENTER

52-0607913

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

Name of the organization **LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC** Employer identification number **52-0607913**

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) LIFEBRIDGE HEALTH INC 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215 52-1402373	PARENT	MD	501 (C) (3)	11B	LBH		X
(2) SINAI HOSPITAL OF BALTIMORE INC 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215 52-0486540	HOSPITAL	MD	501 (C) (3)	3	LBH		X
(3) NORTHWEST HOSPITAL CENTER INC 5401 OLD COURT ROAD RANDALLSTOWN, MD 21133 52-1372665	HOSPITAL	MD	501 (C) (3)	3	LBH		X
(4) COURTLAND GARDENS NURSING AND REHAB CTR 7920 SCOTTS LEVEL ROAD BALTIMORE, MD 21208 52-0607907	SKILL NURSING	MD	501 (C) (3)	9	LBH	X	
(5) CHILDRENS HOSPITAL OF BALTIMORE CITY 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215 52-0591592	CHAR. SUPPORT	MD	501 (C) (3)	11B	LBH		X
(6) THE BALTIMORE JEWISH HEALTH FOUNDATION 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215 52-2111541	CHAR. SUPPORT	MD	501 (C) (3)	11B	LBH		X
(7) CHILDREN'S HOSPITAL AT SINAI FOUNDATION 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215 52-2167587	CHAR. SUPPORT	MD	501 (C) (3)	11B	LBH		X

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

Schedule R (Form 990) 2011

JSA

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LEVINDALE HEBREW GERIATRIC CENTER

52-0607913

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2011

**Open to Public
Inspection**

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

Department of the Treasury
Internal Revenue Service

Name of the organization **LEVINDALE HEBREW GERIATRIC CENTER
AND HOSPITAL INC**

Employer identification number
52-0607913

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) THE BALTIMORE JEWISH ELDERCARE FNDTN INC 52-2337669 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215	CHAR SUPPORT	MD	501 (C) (3)	11B	LBH		X
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

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

Schedule R (Form 990) 2011

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) LIFEBRIDGE INVESTMENTS INC ----- 52-1483166 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215	INVESTMENT	MD	LBH	C CORP			
(2) HEALTHSTAR MEDICAL SERVICES INC ----- 52-1829098 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215	HEALTHCARE	MD	LB INVESTMENTS	C CORP			
(3) PRACTICE DYNAMICS INC ----- 52-1960319 124 BUSINESS CENTER DRIVE REISTERSTOWN, MD 21136	MANAGEMENT	MD	LB INVESTMENTS	C CORP			
(4) SURGICAL ONCOLOGY ASSOCIATES INC ----- 52-1804659 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215	HEALTHCARE	MD	LB INVESTMENTS	C CORP			
(5) LIFEBRIDGE INSURANCE COMPANY LTD ----- 98-0415396 PO BOX 1109 GRAND CAYMAN, CAYMAN ISLANDS CJ	INSURANCE	CJ	LBH	C CORP			
(6) LIFEBRIDGE COMMUNITY PHYSICIANS INC ----- 80-0719005 2401 W. BELVEDERE AVE. BALTIMORE, MD 21212	HEALTHCARE	MD	LBH	C CORP			
(7) -----							

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

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

	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 or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Sale of assets to related organization(s)		X
g Purchase of assets from related organization(s)		X
h Exchange of assets with related organization(s)		X
i Lease of facilities, equipment, or other assets to related organization(s)		X
j Lease of facilities, equipment, or other assets from related organization(s)		X
k Performance of services or membership or fundraising solicitations for related organization(s)		X
l Performance of services or membership or fundraising solicitations by related organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
n Sharing of paid employees with related organization(s)		X
o Reimbursement paid to related organization(s) for expenses		X
p Reimbursement paid by related organization(s) for expenses		X
q Other transfer of cash or property to related organization(s)		X
r Other transfer of cash or property from related organization(s)		X

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

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) LIFEBRIDGE HEALTH, INC.	C	3,626,786.	FMV
(2) BALTIMORE JEWISH ELDERCARE FOUNDATION	C	622,780.	FMV
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
(4) -----													
(5) -----													
(6) -----													
(7) -----													
(8) -----													
(9) -----													
(10) -----													
(11) -----													
(12) -----													
(13) -----													
(14) -----													
(15) -----													
(16) -----													

Part VII **Supplemental Information**

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



LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Financial Statements and
Supplementary Financial Information

June 30, 2012 and 2011

(With Independent Auditors' Report Thereon)

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

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

Independent Auditors' Report

The Board of Directors
LifeBridge Health, Inc:

We have audited the accompanying consolidated balance sheets of LifeBridge Health, Inc. and Subsidiaries (the Corporation) as of June 30, 2012 and 2011 and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of LifeBridge Health, Inc. and Subsidiaries as of June 30, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

October 24, 2012

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2012 and 2011

(Dollars in thousands)

Assets	2012	2011
Current assets:		
Cash and cash equivalents	\$ 159,205	138,158
Donor-restricted investments	8,752	17,178
Assets limited as to use, current portion	19,498	34,671
Patient service receivables, net of allowance for doubtful accounts of \$23,560 in 2012 and \$23,191 in 2011	113,507	114,399
Other receivables	5,324	5,100
Inventory	23,467	21,362
Prepaid expenses	9,522	10,605
Pledges receivable, current portion	3,414	4,081
Total current assets	342,689	345,554
Long-term investments	310,111	289,200
Reinsurance recovery receivable	20,461	17,454
Assets limited as to use, net of current portion	37,646	46,461
Pledges receivable, net of current portion	8,518	9,063
Property and equipment, net	472,030	440,790
Deferred financing costs, net of accumulated amortization of \$396 in 2012 and \$275 in 2011	2,557	2,678
Beneficial interest in split interest agreement	3,930	3,998
Investment in unconsolidated affiliates	2,621	2,304
Other assets, net of accumulated amortization of \$228 in 2012 and \$97 in 2011	9,130	8,568
Total assets	\$ 1,209,693	1,166,070

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2012 and 2011

(Dollars in thousands)

Liabilities and Net Assets	2012	2011
Current liabilities:		
Accounts payable and accrued liabilities	\$ 84,481	83,950
Accrued salaries, wages and benefits	52,945	57,599
Advances from third-party payors	42,313	36,317
Current portion of long-term debt and capital lease obligations	6,216	5,235
Other current liabilities	974	946
Total current liabilities	186,929	184,047
Other long-term liabilities	146,289	116,555
Long-term debt and capital lease obligations, net of current portion	335,486	341,364
Total liabilities	668,704	641,966
Net assets:		
Unrestricted	480,953	452,712
Noncontrolling interest in consolidated subsidiaries	(393)	(72)
Total unrestricted net assets	480,560	452,640
Temporarily restricted	45,891	56,743
Permanently restricted	14,538	14,721
Total temporarily and permanently restricted net assets	60,429	71,464
Total liabilities and net assets	\$ 1,209,693	1,166,070

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended June 30, 2012 and 2011

(Dollars in thousands)

	<u>2012</u>	<u>2011</u>
Unrestricted revenues, gains and other support:		
Net patient service revenue	\$ 995,887	954,761
Net assets released from restrictions used for operations	4,015	3,680
Other operating revenue	51,619	32,005
Total operating revenues	<u>1,051,521</u>	<u>990,446</u>
Expenses:		
Salaries and employee benefits	567,491	530,303
Supplies	163,839	158,210
Purchased services	157,924	151,141
Depreciation, amortization and gain/loss on sale of assets	57,304	54,787
Repairs and maintenance	18,426	17,001
Provision for bad debts	43,656	41,909
Interest	19,619	16,029
Total expenses	<u>1,028,259</u>	<u>969,380</u>
Operating income	<u>23,262</u>	<u>21,066</u>
Other income net:		
Investment income	16,707	18,871
Unrealized (losses) gains on trading investments	(10,800)	22,851
(Losses) earnings on investments in unconsolidated affiliates	(355)	1,090
Total other income net	<u>5,552</u>	<u>42,812</u>
Excess of revenues over expenses	<u>\$ 28,814</u>	<u>63,878</u>

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2012 and 2011

(Dollars in thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total net assets</u>
Net assets at June 30, 2010	\$ 371,514	48,064	13,920	433,498
Excess of revenues over expenses	63,878	—	—	63,878
Unrealized gain on investments	—	5,017	25	5,042
Net assets released from restrictions used for the purchase of property and equipment	5,969	(5,969)	—	—
Restricted gifts and bequests	—	13,461	14	13,475
Net assets released from restrictions used for operations	—	(3,680)	—	(3,680)
Net change in value of beneficial interest in split interest agreement	—	619	—	619
Adjustment to pension liability	10,582	—	—	10,582
Other	697	(769)	762	690
Change in net assets	<u>81,126</u>	<u>8,679</u>	<u>801</u>	<u>90,606</u>
Net assets at June 30, 2011	452,640	56,743	14,721	524,104
Excess of revenues over expenses	28,814	—	—	28,814
Unrealized (loss) gain on investments	—	(1,114)	4	(1,110)
Net assets released from restrictions used for the purchase of property and equipment	16,101	(16,101)	—	—
Restricted gifts and bequests	—	10,446	—	10,446
Net assets released from restrictions used for operations	—	(4,015)	—	(4,015)
Net change in value of beneficial interest in split interest agreement	—	(68)	—	(68)
Adjustment to pension liability	(17,159)	—	—	(17,159)
Other	164	—	(187)	(23)
Change in net assets	<u>27,920</u>	<u>(10,852)</u>	<u>(183)</u>	<u>16,885</u>
Net assets at June 30, 2012	\$ <u>480,560</u>	<u>45,891</u>	<u>14,538</u>	<u>540,989</u>

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended June 30, 2012 and 2011

(Dollars in thousands)

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ 16,885	90,606
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	56,977	54,611
Loss on disposal of equipment	327	176
Change in pension liability	17,159	(10,582)
Provision for bad debts	43,656	41,909
Realized and unrealized losses (gains) on investments	7,248	(33,814)
Restricted gifts and bequests	(10,446)	(13,475)
Change in beneficial interest of split interest agreement	68	(619)
Losses (earnings) on investments in unconsolidated affiliates	355	(1,090)
Change in operating assets and liabilities:		
Increase in patient service receivables, net	(42,764)	(47,832)
Increase in other receivables	(224)	(245)
Decrease (increase) in pledges receivable	1,212	(2,266)
Increase in inventory	(2,105)	(1,449)
Decrease in prepaid expenses	1,083	283
Increase in reinsurance recovery receivable	(3,007)	(2,360)
(Decrease) increase in accounts payable and accrued liabilities, and accrued salaries, wages, and benefits	(13,808)	9,193
Increase in advances from third-party payors	5,996	6,407
Increase in other current and long-term liabilities	12,603	3,619
Net cash provided by operating activities	91,215	93,072
Cash flows from investing activities:		
Change in donor-restricted investments	7,316	4,452
Change in long-term investments	(27,049)	(30,203)
Change in assets limited as to use	23,988	(31,032)
(Investment in) distributions from unconsolidated affiliates	(672)	963
Additions to operating property	(78,797)	(66,810)
Proceeds from the sale of property	71	11
Change in other assets	(693)	(2,677)
Net cash used in investing activities	(75,836)	(125,296)
Cash flows from financing activities:		
Payment on debt and capital lease obligations	(5,303)	(5,107)
Proceeds from issuance of debt	525	50,639
Cash paid for debt issuance costs	—	(957)
Restricted gifts and bequests	10,446	13,475
Net cash provided by financing activities	5,668	58,050
Net increase in cash and cash equivalents	21,047	25,826
Cash and cash equivalents:		
Beginning of year	138,158	112,332
End of year	\$ 159,205	138,158
Supplemental cash flow disclosures:		
Cash paid during the year for interest	\$ 19,482	15,529
Cash paid during the year for income taxes	3	6
Additions to property and equipment in exchange for capital lease obligations	—	407
Accounts payable related to purchase of operating property	9,234	15,923

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(1) Organization

On October 1, 1998, Sinai Health System, Inc. merged with Northwest Health System, Inc. to form LifeBridge Health, Inc. (LifeBridge). LifeBridge's subsidiaries include Sinai Hospital of Baltimore, Inc. (Sinai), Northwest Hospital Center, Inc. (Northwest), Levindale Hebrew Geriatric Center and Hospital, Inc. (Levindale), Children's Hospital of Baltimore City, Inc. (Children's Hospital), The Baltimore Jewish Eldercare Foundation, Inc. (BJEF), LifeBridge Anesthesia Associates, LLC (LAA), LifeBridge Insurance Company, Ltd. (LifeBridge Insurance), LifeBridge Investments, Inc. (Investments), and LifeBridge Community Physicians, Inc. (Community Physicians). Sinai and Levindale are constituent agencies of THE ASSOCIATED: Jewish Community Federation of Baltimore, Inc. (AJCF), a charitable corporation.

LifeBridge's consolidated financial statements include the following entities:

Sinai – Sinai, a not-for-profit acute care facility, provides inpatient, outpatient, emergency, and physician services for residents of Central Maryland and surrounding areas. The following entities are consolidated with Sinai:

The Baltimore Jewish Health Foundation, Inc. (BJHF) – BJHF was formed to hold and manage investments for the purpose of providing support to Sinai. A majority of the members of BJHF's board also hold Board positions at LifeBridge and Sinai.

Children's Hospital at Sinai Foundation, Inc. (CHSF) – CHSF was formed concurrently with the acquisition of Children's Hospital, to hold assets formerly held by Children's Hospital and its affiliates. A majority of the directors of CHSF are directors or employees of Sinai.

Sinai Clinical Professionals, LLC (SCP) – SCP was formed on August 1, 2009 concurrently with the acquisition of the assets of Clinical Associates, P.A. SCP provides multispecialty medical care.

LifeBridge Cardiology at Quarry Lake, LLC (LCQL) – LCQL was formed on December 10, 2010. LCQL provides cardiology services.

Northwest – Northwest, a not-for-profit acute care and subacute care facility, provides inpatient, outpatient, emergency, and physician services for residents of Central Maryland and surrounding areas.

Levindale – Levindale is a not-for-profit specialty hospital and skilled nursing facility, which provides specialty/long-stay hospital care, rehabilitation hospital care, comprehensive nursing care, psychiatric care, and outpatient adult day services.

Courtland Gardens Nursing and Rehabilitation Center, Inc. (Courtland) – Courtland, a not-for-profit subsidiary of Levindale, operates a skilled nursing facility. This entity was formerly known as Jewish Convalescent and Nursing Home Society, Inc. and officially changed its name to Courtland in April 2009.

Children's Hospital – LifeBridge acquired Children's Hospital and various affiliated corporations in May 1999, and soon thereafter Children's Hospital discontinued operations. LifeBridge subsequently sold substantially all of the facilities formerly operated by Children's Hospital and its affiliates.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

BJEF – BJEF was formed to hold and manage investments for the purpose of providing support to Levindale.

LAA – LAA provides anesthesia services to Northwest Hospital.

LifeBridge Insurance – LifeBridge Insurance is a captive insurance company incorporated in the Cayman Islands.

Investments – Investments is a for-profit corporation that holds, directly and indirectly, interests in a variety of for-profit businesses. Investments' subsidiaries include:

Practice Dynamics, Inc. (PDI) – PDI is a management service organization that provides management services to Sinai, Northwest, and affiliated and independent community-based medical practices in the State of Maryland.

LifeBridge Health and Fitness, LLC (LBHF) – LBHF operates a fitness and wellness center in Pikesville, Maryland.

Sinai Eldersburg Real Estate, LLC (SERE) – SERE operates the Northwest Hospital Medical Care Center, a medical office building in Eldersburg, Maryland.

David L. Zisow M.D., LLC (Zisow) – Zisow provides medical and surgical care.

General Surgery Specialists, LLC (GSS) – GSS provides surgical care.

BW Primary Care, LLC (BWPC) – BWPC provides medical care.

LifeBridge Community Practices, LLC (LCP) – LCP was formed on August 1, 2009 concurrently with the acquisition of the assets of Clinical Associates, P.A. LCP provides management and other services to SCP.

The Center for Urologic Specialties, LLC (URS) – URS provides medical and surgical urologic care.

LifeBridge Roundwood Practices, LLC (LRP) – LRP was formed on August 31, 2010. The company provides cardiology services.

HomeCare Maryland, LLC (HCM) – In January 2011, Investments acquired a 51% interest in HCM. HCM provides various services including skilled nursing care and physical and occupational therapy to patients in Baltimore, Harford, and Cecil Counties as well as Baltimore City.

In addition, Investments holds interests in, among other entities, Cherrywood Manor LP (a nursing home located in Reisterstown, Maryland); PLMD, LLC (an ambulance transportation company); Acute Diagnostics and Services, LLC (a sleep center management company); LifeBridge Sports Medicine and Rehabilitation, LLC (a provider of physical and occupational therapy services); and National Respiratory Care, LLC (a supplier of durable medical equipment).

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Community Physicians – Community Physicians is a for-profit corporation that provides physician and related services through several subsidiaries, including:

LifeBridge Cardiology of Carroll County, LLC (LCCC) – LCCC provides cardiology services.

LifeBridge Suburban Physician Group, LLC (LSPG) – LSPG provides primary and specialty physician services.

Woodholme Cardiology, LLC (Woodholme) – Woodholme provides cardiology services.

(2) Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All majority owned and direct member entities are consolidated. The accompanying consolidated financial statements include the accounts of LifeBridge Health, Inc. and Subsidiaries (the Corporation). All entities where the Corporation exercises significant influence, but does not control, are accounted for under the equity method. All other unconsolidated entities are accounted for under the cost method. All significant intercompany accounts and transactions have been eliminated.

(b) Cash and Cash Equivalents

Cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less at the date of purchase.

(c) Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of externally imposed stipulations. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to externally imposed stipulations.

Temporarily restricted net assets – Net assets subject to externally imposed stipulations that may or will be met either by actions of the Corporation and/or the passage of time.

Permanently restricted net assets – Net assets subject to externally imposed stipulations that they be maintained by the Corporation in perpetuity.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by externally imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless use of the related asset is limited by externally imposed restrictions or law. Expirations of temporary restrictions of net assets (i.e., the externally stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets if used to acquire capital assets; otherwise, they are recorded as unrestricted operating revenue.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(d) *Assets Limited as to Use*

Assets limited as to use primarily consists of assets held by trustees under bond indenture agreements, a self-insured workers' compensation reserve fund, and designated assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the Corporation have been reclassified in the consolidated balance sheets at June 30, 2012 and 2011.

(e) *Inventory*

Inventories, which consist primarily of medical supplies and pharmaceuticals, are stated at the lower of cost (using the moving average cost method of valuation) or market.

(f) *Long-Term Investments and Donor-Restricted Investments*

The Corporation's investment portfolio is considered a trading portfolio and is classified as current or noncurrent assets based on management's intention as to use. All debt and equity securities are reported in the consolidated balance sheets at fair value, principally based on quoted market prices.

The Corporation has investments in alternative investments, primarily funds of hedge funds, totaling \$95,049 and \$84,990 at June 30, 2012 and 2011, respectively. These funds utilize various types of debt and equity securities and derivative instruments in their investment strategies. Also included in alternative investments are BJEF's and BJHF's investment funds of the Associated Jewish Charities (AJC). The underlying investments for these funds include cash of \$77, mutual funds of \$6,610, equities of \$23,695, government bonds of \$2,733, corporate bonds of \$145, and alternative investments of \$14,450. Alternative investments are recorded under the equity method.

Investments in unconsolidated affiliates are accounted for under the cost or equity method of accounting as appropriate and are included in other assets in the consolidated balance sheets. The Corporation utilizes the equity method of accounting for its investments in entities over which it exercises significant influence. The Corporation's equity income or loss is recognized in other income (expense), net within excess of revenue over expenses.

Investments limited as to use include assets held by trustees under bond indenture, self-insurance trust arrangements, assets restricted by donor, and assets designated by the Board of Directors for future capital improvements and other purposes over which it retains control and may, at its discretion, use for other purposes. Amounts from these funds required to meet current liabilities have been classified in the consolidated balance sheets as current assets. Purchases and sales of securities are recorded on a trade-date basis.

Investment income (interest and dividends) including realized gains and losses on investment sales is reported as other income (expense) within the excess of revenues over expenses in the accompanying consolidated statements of operations and changes in net assets unless the income or loss is restricted by the donor or law. Investment income on funds held in trust for self-insurance purposes is included in other operating revenue. Investment income and net gains (losses) that are restricted by the donor are recorded as a component of changes in temporarily or permanently restricted net assets, in accordance with donor-imposed restrictions. Realized gains and losses are determined based on the

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

specific security's original purchase price. Unrealized gains and losses are included in other income (expense), net within the excess of revenue over expenses.

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Quoted prices for instruments that are identical or similar in markets that are not active and model-derived valuations for which all significant inputs are observable, either directly or indirectly in active markets.
- Level 3 – Prices or valuations that require inputs that are significant to the fair value measurement and are unobservable.

The hierarchy requires the use of observable market data when available. Assets and liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurements.

(g) *Property and Equipment*

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter of the period of the lease term or the estimated useful life of the equipment. Maintenance and repair costs are expensed as incurred. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

(h) *Deferred Financing Costs and Other Assets*

Deferred financing costs and other assets consist primarily of deferred financing costs, notes receivable, and the cash surrender value of split dollar life insurance. The deferred financing costs are amortized using the effective-interest method over the term of the related debt. Amortization expense was \$121 and \$93 for the years ended June 30, 2012 and 2011, respectively. Such amortization is included in depreciation and amortization in the consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(i) Beneficial Interest in Split Interest Agreement

CHSF holds a 25% interest in a trust, of which management has estimated the present value of the future income stream. CHSF will receive 25% of the net annual income over the next 12 years. At the end of this period in 2024, the trust will terminate, and 25% of the principal will be distributed to CHSF. Management has reported the beneficial interest at fair value based on the fair value of the underlying trust investments.

(j) Advances from Third-Party Payors

Advances from third-party payors are representative of advance funding from CareFirst, BlueCross, BlueShield, Medicaid, Aetna, United/MAMSI, and other insurance providers.

(k) Self-Insurance Programs

The Corporation maintains self-insurance programs for medical malpractice and general liability, workers' compensation, and employee health benefits. The provision for estimated self-insurance program claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported. The estimates are based on historical trends, claims asserted, and reported incidents.

(l) Other Long-Term Liabilities

Other long-term liabilities consist of self-insurance liabilities, pension plan liabilities, asset retirement obligations, and deferred compensation plan liabilities.

(m) Donor-Restricted Gifts

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

(n) Net Patient Service Revenue

Net patient service revenue for Sinai and Northwest (the Hospitals) and the chronic hospital component of Levindale is recorded at rates established by the State of Maryland Health Services Cost Review Commission (HSCRC) and, accordingly, reflects actual charges to patients based on rates in effect during the period in which the services are rendered. The Hospitals have Charge Per Episode (CPE) agreements with the HSCRC. The HSCRC's Charge per Episode methodology was implemented on July 1, 2011. It is similar to the previous Charge per Case methodology. These CPE agreements establish a prospective average charge per inpatient episode, defined as hospital admissions/births, plus "all cause" readmissions within a thirty day period. These approved CPE targets are adjusted during the rate year for actual changes in case mix. The CPE agreements allow hospitals to adjust approved unit rates, within certain limits, to achieve the average case mix adjusted

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

CPE target for the rate year ending June 30. To the extent that the actual average CPE exceeds the case mix adjusted target, the overcharge will reduce the approved target for future years. Conversely, if the actual average CPE is below the case mix adjusted target, the undercharge will increase the approved target for future years. Under the CPE target methodology, the Hospitals monitor their average CPE compared to HSCRC case mix adjusted targets on a routine basis.

Contractual adjustments, which represent the difference between amounts billed as patient service revenue and amounts paid by third-party payors, are accrued in the period in which the related services are rendered. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as revenue.

Medicare reimburses Levindale and Courtland for skilled nursing services under the Medicare skilled nursing Prospective Payment System (PPS). Under PPS, the payment rate is based on patient resource utilization as calculated by a patient classification system known as Resource Utilization Groups.

Medicaid reimburses Levindale and Courtland for services rendered in their long-term care facilities based on their actual costs, up to certain predetermined limits, and the condition and requirements of the patients. Reimbursement is at an interim rate with the final settlement determined after submission of annual cost reports and audits thereof. Estimated retroactive adjustments are accrued in the period the related services are rendered and adjusted in future periods as final settlements are determined. At June 30, 2012, Levindale and Courtland had open Medicaid cost reports for the years ended June 30, 2012 and 2011.

All other patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

(o) Charity Care

Sinai, Northwest, and Levindale provide care to patients who meet certain criteria under their charity care policies without charge or at amounts less than their established rates. Because the facilities do not pursue the collection of amounts determined to qualify as charity care, those amounts are not reported as revenue. The amount of charity care provided during 2012 and 2011, based on patient charges foregone, was \$18,081 and \$15,801, respectively. The total direct and indirect costs to provide the care amounted to approximately \$15,589 and \$13,624 for the years ended June 30, 2012 and 2011, respectively.

(p) Income Taxes

LifeBridge and its not-for-profit subsidiaries have been recognized by the Internal Revenue Service as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

LifeBridge Insurance, Community Physicians, and Investments and its incorporated subsidiaries account for income taxes in accordance with Financial Accounting Standards Board (FASB) ASC Topic 740, *Income Taxes*. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. Any changes to the valuation allowance on the deferred tax asset are reflected in the year of the change. The Corporation accounts for uncertain tax positions in accordance with ASC Topic 740.

(q) *Use of Estimates*

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

(r) *Excess of Revenues over Expenses*

The accompanying consolidated statements of operations include excess of revenue over expenses. Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include changes in the funded status of defined-benefit pension plans, permanent transfers of assets to and from affiliates for other than goods and services, the cumulative effect of a change in accounting principles, and contributions received for additions of long-lived assets.

(s) *Employee Pension Plan*

Pension benefits are administered by the Corporation. The Corporation accounts for its defined-benefit pension plans within the framework of ASC Topic 958, *Not-for-Profit Entities*, Section 715, *Compensation-Retirement Benefits* (Topic 958, Section 715), which requires the recognition of the overfunded or underfunded status of a defined-benefit pension plan as an asset or liability. The plans are subject to annual actuarial evaluations, which involve various assumptions creating changes in elements of expense and liability measurement. Key assumptions include the discount rate, the expected rate of return on plan assets, retirement, mortality, and turnover. The Corporation evaluates these assumptions annually and modifies them as appropriate.

Additionally, Topic 958, Section 715 requires the measurement date for plan assets and liabilities to coincide with the employer's year-end and requires the disclosure in the notes to the consolidated financial statements of additional information about certain effects on net periodic benefit cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service costs or credits, and transition asset or obligation.

(t) *New Accounting Pronouncements*

In August 2010, the FASB issued Accounting Standards Update (ASU) 2010-23, *Health Care Entities (Topic 954), Measuring Charity Care for Disclosure*. ASU 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care. ASU 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect cost of providing charity care, and

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requires disclosure of the method used to identify or determine such costs. This ASU was effective for the Corporation on July 1, 2011. The adoption did not impact the financial position or results of operations of the Corporation.

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries*. The amendments in the ASU clarify that a healthcare entity may not net insurance recoveries against related claims liabilities. In addition, the amount of the claim liability must be determined without consideration of insurance recoveries. This ASU was effective for the Corporation on July 1, 2011. The adoption of this guidance resulted in the Corporation recording an additional accrual for medical malpractice claims liability and an insurance recovery receivable of \$20,461 and \$17,454 on the balance sheet at June 30, 2012 and 2011, respectively. Such amounts are included in other long-term liabilities. The adoption of this guidance did not have any impact on the results of operations or cash flows of the Corporation. The Corporation elected retrospective adoption of the pronouncement.

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

(u) Reclassifications

Certain prior year amounts have been reclassified to conform to current period presentation. The reclassification has no impact on previously reported net assets or change in net assets.

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(3) Investments

Investments, which consist of assets limited as to use, donor-restricted investments, and long-term investments in the accompanying consolidated balance sheets, are stated at carrying value as of June 30, 2012 and 2011, and consist of the following:

	2012	2011
Assets limited as to use:		
Self-insurance fund:		
Equity securities	\$ 8,897	9,751
U.S. Treasury	11,760	14,098
Alternative investments	4,213	2,249
Government securities	2,031	1,298
Corporate obligations	9,854	10,687
Asset-backed securities	891	693
Self-insurance fund	37,646	38,776
Debt service fund:		
Cash and cash equivalents	11,701	10,150
Construction fund:		
Cash and cash equivalents	7,797	12,698
Government securities	—	19,508
Assets limited as to use	57,144	81,132
Less current portion	(19,498)	(34,671)
Assets limited as to use, net of current portion	\$ 37,646	46,461
Donor-restricted investments:		
Cash and cash equivalents	\$ 816	2,459
Equity securities	93	—
U.S. Treasury	1,972	4,412
Mutual funds	2,960	5,020
Government securities	1,715	2,803
Asset-backed securities	185	—
Corporate obligations	1,011	2,484
Donor-restricted investments	\$ 8,752	17,178
Beneficial interest in split interest agreement	\$ 3,930	3,998

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The remaining investments restricted by donors are included in long-term investments, pledges receivable, and beneficial interest as of June 30, 2012 and 2011. Of these amounts, \$35,815 and \$37,144 are included in long-term investments as of June 30, 2012 and 2011, respectively:

	2012	2011
Long-term investments:		
Cash and cash equivalents	\$ 2,947	2,825
Mutual funds	138,481	130,662
U.S. Treasury	1,950	126
Equity securities	61,284	60,242
Government securities	3,326	1,409
Corporate obligations	11,104	11,195
Asset-backed securities	183	—
Alternative investments	90,836	82,741
	\$ 310,111	289,200

Investment income and gains and losses on long-term investments, donor-restricted investments, and assets limited as to use are comprised of the following for the years ended June 30, 2012 and 2011:

	2012	2011
Investment income:		
Interest income and dividends	\$ 12,045	12,950
Realized gains on sale of securities	4,662	5,921
Investment income	16,707	18,871
Unrealized gains on trading securities	(10,800)	22,851
Other changes in net assets:		
Changes in unrealized gains on temporarily and permanently restricted net assets	(1,110)	5,042
Total investment return	\$ 4,797	46,764

(4) Pledges Receivable

Contributions and pledges to raise funds are recorded as temporarily restricted net assets until the donor-intended purpose is met and the cash is collected. Future pledges are discounted at the Treasury bill rate to reflect the time value of money, and an allowance for potentially uncollectible pledges has been established.

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Sinai, Northwest, and Levindale have recorded total pledges as of June 30, 2012 and 2011 as follows:

	2012	2011
Gross pledges receivable	\$ 16,176	18,039
Less:		
Discount for time value of money	(1,574)	(1,926)
Allowance for uncollectible accounts	(2,670)	(2,969)
	\$ 11,932	13,144

Total future payments are as follows:

Less than one year	\$ 4,747
One to five years	9,933
Five years and thereafter	1,496
	\$ 16,176

(5) Property and Equipment

As described in note 11, Sinai and Levindale lease under lease agreements with AJCF all land, land improvements, buildings, and fixed equipment located at those entities' primary locations; LifeBridge entities own all the movable equipment. Property and equipment are classified as follows at June 30:

	Estimated useful life	2012	2011
Land		\$ 2,747	2,747
Land improvements	8 to 20 years	11,352	9,134
Building and improvements	10 to 40 years	611,252	533,287
Fixed equipment	8 to 20 years	55,063	54,934
Movable equipment	3 to 15 years	295,492	268,562
Construction in progress		19,775	63,783
		995,681	932,447
Less accumulated depreciation		(523,651)	(491,657)
Property and equipment, net		\$ 472,030	440,790

Depreciation, amortization, and gain/loss on sale of assets were \$57,304 and \$54,787 for the years ended June 30, 2012 and 2011, respectively. Of this, depreciation expense was \$56,393 and \$53,364 for the years ended June 30, 2012 and 2011, respectively.

Included in property and equipment is building and equipment, net of accumulated amortization, of \$13,139 and \$15,483 for the years ended June 30, 2012 and 2011, respectively, financed with capital lease

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obligations. Accumulated amortization related to the building and equipment under capital leases was \$12,970 and \$10,583 at June 30, 2012 and 2011, respectively.

(6) Long-Term Debt and Capital Lease Obligations

As of June 30, long-term debt and capital lease obligations consist of the following:

	2012	2011
Maryland Health and Higher Educational Facilities Authority:		
Revenue Bonds Series 2008	\$ 275,193	277,880
Revenue Bonds Series 2011	50,695	50,695
Capital leases	12,802	15,234
Other	343	—
	339,033	343,809
Less current portion	(6,216)	(5,235)
Unamortized premium	2,722	2,846
Unamortized discount	(53)	(56)
Long-term debt, net	\$ 335,486	341,364

In January 2008, the Maryland Health and Higher Educational Facilities Authority (MHHEFA or the Authority) issued \$285,815 in bonds (Series 2008 Bonds) on behalf of LifeBridge and several of its subsidiaries (the Obligated Group). The Obligated Group under the Master Loan Agreement includes LifeBridge, Sinai, Northwest, Levindale, CHSF, and BJHF. Each member of the Obligated Group is jointly and severally liable for repayment of the obligations under the Master Loan Agreement.

The proceeds of the Series 2008 Bonds were loaned to the Obligated Group pursuant to the Master Loan Agreement. As security for the performance of the bond obligation under the Master Loan Agreement, the Authority maintains a security interest in the revenue of the obligors. The agreement provides for principal payments on July 1 of each year, beginning on July 1, 2008 and continuing through 2047. The Series 2008 loan bears interest at a weighted fixed rate of 5.35%.

In March 2011, the Authority issued \$50,695 in bonds (Series 2011 Bonds) to the Obligated Group members pursuant to the Master Loan Agreement. As security for the performance of the bond obligation under the Master Loan Agreement, the Authority maintains a security interest in the revenue of the obligors. The agreement provides for principal payments on July 1 of each year, beginning on July 1, 2011 and continuing through 2041. The Series 2011 loan bears interest at a weighted fixed rate of 5.99%.

The Master Loan Agreement requires the Obligated Group to adhere to limitations on mergers, disposition of assets, and additional indebtedness and certain financial covenants. The financial covenants include a rate covenant, which requires the Obligated Group to achieve a debt service coverage ratio of 1.10 as of the last day of each fiscal year, and a liquidity covenant, which requires the Obligated Group to maintain 65 days cash on hand, measured as of June 30 in each fiscal year. In the fiscal year ended June 30, 2012, the Obligated Group met all of its covenants.

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Capital Leases

The Corporation is obligated under several noncancelable capital leases for hospital equipment and office building space.

The total future principal payments on long-term debt and capital lease payments are as follows:

	Long-term debt	Capital lease obligations
2013	\$ 3,600	3,856
2014	3,755	3,726
2015	3,935	3,296
2016	4,130	3,184
2017	4,330	2,114
Thereafter	306,138	4,000
	\$ 325,888	20,176
Less interest portion		(7,374)
		\$ 12,802

The debt arrangements contain requirements as to maintenance of minimum levels of net assets, debt service, and cash flows.

(7) Line of Credit

Sinai maintains a \$5,000 line of credit with M&T Bank. As of June 30, 2012 and 2011, there were no balances outstanding on this line of credit. There is no expiration date on the line of credit.

(8) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	2012	2011
Healthcare services:		
Capital equipment/construction	\$ 24,197	34,740
Other healthcare services:		
Service grants	1,014	596
Donor-specified healthcare services	10,111	10,864
Enrichment and research	10,569	10,543
	\$ 45,891	56,743

Permanently restricted net assets of \$14,538 and \$14,721 at June 30, 2012 and 2011, respectively, are restricted to investments to be held in perpetuity, the income from which is expendable to support healthcare services.

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(9) Employee Benefit Plans

As of June 30, 2011, the Corporation sponsored three noncontributory defined-benefit pension plans covering full-time, nonunion and union employees. These plans included the Levindale, Sinai nonunion and Sinai union pension plans. Effective January 1, 2012, the Levindale plan was merged into the Sinai nonunion plan resulting in the Corporation sponsoring two pension plans (the Plans). Annual contributions to the Plans are made at a level equal to or greater than the funding requirement as determined by the Plans' consulting actuary. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

The following tables set forth the Plans' funded status and amounts recognized in the accompanying consolidated financial statements as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
	June 30, 2012	June 30, 2011
Measurement date		
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 139,221	127,012
Service cost	6,709	6,327
Interest cost	7,463	6,680
Actuarial loss	11,858	3,892
Benefits paid	(5,103)	(4,287)
Expenses paid from assets	(312)	(403)
Plan amendments	(968)	—
Benefit obligation at end of year	<u>158,868</u>	<u>139,221</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	105,075	80,839
Actual return on plan assets	(674)	17,017
Company contributions	9,832	11,909
Benefits paid	(5,103)	(4,287)
Expenses paid from assets	(312)	(403)
Fair value of plan assets at end of year	<u>108,818</u>	<u>105,075</u>
Funded status	<u>\$ (50,050)</u>	<u>(34,146)</u>

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Amounts recognized in the consolidated financial statements consist of the following at June 30:

	2012	2011
Amounts recognized in the consolidated balance sheets:		
Other current assets, net	\$ (3,283)	(2,031)
Other long-term liabilities	53,333	36,177
	\$ 50,050	34,146
Amounts recognized in unrestricted net assets:		
Net actuarial loss	\$ 52,670	33,997
Prior service cost	663	2,180
	\$ 53,333	36,177
Accumulated benefit obligation at the end of the year	\$ 141,929	119,793

Net periodic pension expense for the years ended June 30, 2012 and 2011 was as follows:

	2012	2011
Service cost	\$ 6,709	6,327
Interest cost	7,463	6,680
Expected return on plan assets	(8,127)	(6,217)
Amortization of net loss	1,985	3,073
Amortization of prior service cost	548	601
Net periodic benefit cost	\$ 8,578	10,464

The estimated net actuarial loss and prior service cost to be amortized from unrestricted net assets into net periodic pension benefit cost over the next fiscal year are \$3,613 and \$442, respectively.

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Actuarial assumptions used were as follows:

	2012	2011
Assumptions used to determine annual pension expense:		
Discount rate	5.60%	5.50%
Expected return on plan assets	8.00	8.00
Rate of compensation increase	4.00	4.00
Assumptions used to determine end-of-year liabilities:		
Discount rate	4.25%	5.60%
Expected return on plan assets	8.00	8.00
Rate of compensation increase	3.00	4.00
Plan asset allocation:		
Asset category:		
Cash and cash equivalents	1.00%	1.00%
Fixed income/debt securities	26.00	25.00
Equities	51.00	56.00
Other	22.00	18.00
Total	100.00%	100.00%

In selecting the expected long-term rate on asset assumption, Sinai and Levindale considered the average rate of earnings on the funds invested or to be invested to provide for the benefits of these plans. This included considering the trust's asset allocation and the expected returns likely to be earned over the life of the plans:

	Target
Target allocation on assets:	
Equity securities and alternative investments	75%
Debt securities	25

Following are the benefit payments to be disbursed from plan assets:

Years ending June 30:	
2013	\$ 5,180
2014	4,811
2015	6,452
2016	6,560
2017	7,683
2018 – 2021	49,674

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The fair values of pension plan assets held by PNC Institutional Investments by level at June 30, 2012 were as follows:

	Pension benefits – plan assets			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 3,239	—	—	3,239
Mutual funds	40,552	—	—	40,552
Fixed income:				
Corporate bonds	—	4,504	—	4,504
Equity securities	41,754	—	—	41,754
Alternative investments	—	—	18,769	18,769
Total assets	<u>\$ 85,545</u>	<u>4,504</u>	<u>18,769</u>	<u>108,818</u>

The fair values of pension plan assets held by PNC Institutional Investments by level at June 30, 2011 were as follows:

	Pension benefits – plan assets			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 3,835	—	—	3,835
Mutual funds	39,836	—	—	39,836
Fixed income:				
Corporate bonds	—	4,711	—	4,711
Equity securities	43,561	—	—	43,561
Alternative investments	—	—	13,132	13,132
Total assets	<u>\$ 87,232</u>	<u>4,711</u>	<u>13,132</u>	<u>105,075</u>

For the years ended June 30, 2012 and 2011, there were no significant transfers into or out of Levels 1, 2, or 3.

Changes to the fair values based on the Level 3 inputs are summarized as follows:

	Total
Balance as of June 30, 2011	\$ 13,132
Additions:	
Contributions/purchases	5,960
Disbursements:	
Withdrawals/sales	(3)
Net change in value	<u>(320)</u>
Balance as of June 30, 2012	<u>\$ 18,769</u>

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The following summarizes redemption terms for the hedge fund-of-funds vehicles held as of June 30, 2012:

	<u>Fund 1</u>	<u>Fund 2</u>	<u>Fund 3</u>	<u>Fund 4</u>	<u>Fund 5</u>
Redemption timing:					
Redemption frequency	Quarterly	Quarterly	Quarterly	Quarterly	*
Required notice	33 days	95 days	65 days	65 days	
Audit reserve:					
Percentage held back for audit reserve	10%	10%	10%	5%	
Gates:					
Potential gate holdback	—	—	—	—	
Potential gate release time frame	—	—	—	—	

* Fund 5 is currently in redemption

Northwest has a qualified noncontributory defined-contribution pension plan (the NW Plan) covering substantially all employees who work at least 1,000 hours per year, who have completed two years of continuous service as of the beginning of the plan year, and who have attained the age of 21 as of the beginning of the plan year. Participants in the NW Plan are 100% vested. Northwest makes annual contributions to the NW Plan equivalent to 1½% of the participants' salaries for employees who have been in the NW Plan from 1 to 5 years, 4% for those in the plan from 6 to 19 years, and 6½% thereafter. It is Northwest's policy to fund pension costs as they accrue. Pension expense was approximately \$2,260 and \$1,897 for the years ended June 30, 2012 and 2011, respectively, and is included in salaries and employee benefits in the accompanying consolidated statements of operations.

Certain LifeBridge entities have supplemental 403(b) retirement plans for eligible employees. The entities may elect to match varying percentages of an employee's contribution up to a certain percentage of the employee's annual salary. The associated expense was approximately \$4,258 and \$48 for the years ended June 30, 2012 and 2011, respectively, and is included in salaries and employee benefits in the accompanying consolidated statements of operations.

Certain companies under Community Physicians and Investments maintain a defined-contribution plan for employees meeting certain eligibility requirements. Eligible employees can also make contributions. Under the plan, Investments may elect to match a percentage of eligible employees' contributions each year. The related expense was approximately \$723 and \$363 for the years ended June 30, 2012 and 2011, respectively, and is included in salaries and employee benefits in the accompanying consolidated statements of operations.

Certain LifeBridge entities maintain a nonqualified deferred compensation plan for key employees and physicians. The Corporation establishes a separate deferral account on its books for each participant for each plan year. In general, participants are entitled to receive the deferred funds upon their death, attainment of the specified vesting date, or involuntary termination of their employment without cause, whichever occurs first. The related expense was approximately \$2,975 and \$2,705 for the years ended June 30, 2012 and 2011, respectively, and is included in salaries and employee benefits in the accompanying consolidated statements of operations.

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(10) Regulation and Reimbursement

The Corporation provides general acute healthcare services primarily through two general acute-care hospitals, one specialty hospital, and two skilled nursing facilities. The Corporation and other healthcare providers in Maryland are subject to certain inherent risks, including the following:

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

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

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

The current rate of reimbursement for services to patients under the Medicare and Medicaid programs is based on an agreement between the Center for Medicaid and Medicare Services and the HSCRC. This agreement is based upon a waiver from Medicare prospective payment system reimbursement principles granted to the State of Maryland under Section 1814(b) of the Social Security Act and will continue as long as all third-party payors elect to be reimbursed in Maryland under this program and the rate of increase for costs per hospital inpatient admission in Maryland is below the national average.

(11) Related-Party Transactions

(a) *Land Leases*

Sinai and Levindale are constituent agencies of AJCF, a charitable corporation.

The legal title to substantially all land, land improvements, buildings, and fixed equipment included in Sinai's and Levindale's operating property is held by an affiliate of AJCF. Sinai and Levindale have entered into leases with the AJCF affiliate with respect to these assets. The leases allow Sinai and Levindale to conduct their business on the property as currently conducted. Rent under each lease is \$1.00 per year. The leases may not be terminated before December 31, 2050.

(b) *Other*

In addition to its arrangement with AJCF, Sinai receives services from certain other constituent agencies of AJCF.

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(12) Income Taxes

At June 30, 2012, Investments has approximately \$72,543 in net operating loss carryforwards for income tax purposes. The net operating loss carryforwards for tax purposes are available to reduce future taxable income and expire in varying periods through 2032.

The net operating loss carryforwards created a net deferred tax asset of approximately \$28,691 and \$28,958 as of June 30, 2012 and 2011, respectively. Management has determined that it is more likely than not that Investments will not be able to utilize the deferred tax assets; therefore, a full valuation allowance was recorded against the net deferred assets as of June 30, 2012 and 2011.

(13) Other Long-Term Liabilities

Other long-term liabilities at June 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Professional liability (note 14(a))	\$ 61,914	61,155
Pension liability	53,333	36,177
Asset retirement obligation	3,260	3,260
Deferred compensation	4,707	4,429
Other	23,075	11,534
	<u>\$ 146,289</u>	<u>116,555</u>

(14) Self-Insurance Programs

(a) Professional Liability

The Corporation is self-insured, through LifeBridge Insurance, for most medical malpractice and general liability claims arising out of the operations of LifeBridge and its subsidiaries. Estimated liabilities have been recorded for both reported and incurred but not reported claims. LifeBridge Insurance purchases reinsurance from other carriers to cover its liabilities in excess of various retentions. The amounts that LifeBridge subsidiaries must transfer to LifeBridge Insurance to fund medical malpractice and general liability claims are actuarially determined and are sufficient to cover expected liabilities. Management's estimate of the liability for its medical malpractice and general liability claims, including incurred but not reported claims, is principally based on actuarial estimates performed by an independent third-party actuary. Professional liability coverage for certain employed physicians is provided by commercial insurance carriers.

(b) Workers' Compensation

Sinai, Northwest, Levindale, and LAA are insured for workers' compensation liability through a combination of self-insurance and excess insurance. Losses for asserted and unasserted claims are accrued based on estimates derived from past experiences, as well as other considerations including the nature of each claim or incident, relevant trend factors, and estimates of incurred but not reported amounts. The Corporation has accrued a liability for known and incurred but not reported claims of \$5,842 and \$5,497 at June 30, 2012 and 2011, respectively, which is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

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Management believes this accrual is adequate to provide for all workers' compensation claims that have been incurred through June 30, 2012. All other entities have occurrence-based commercial insurance coverage. Additionally, there are no material insurance recoveries related to workers' compensation as of June 30, 2012.

The Corporation maintains a stop-loss policy on workers' compensation claims. The Corporation is insured for individual claims exceeding \$450. Effective July 15, 2011, the Maryland Workers' Compensation Commission approved an increase in the retention amount for LifeBridge from \$350 to \$450.

(c) *Health Insurance*

The Corporation is self-insured for employee health claims. Under the self-insurance plan, the Corporation accrued a liability of \$2,178 and \$2,048 at June 30, 2012 and 2011, respectively, for known claims and incurred but not reported claims, which is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

(15) **Concentration of Credit Risk**

The Corporation grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2012 and 2011 is as follows:

	<u>2012</u>	<u>2011</u>
Medicare	28%	28%
Medicaid	7	9
BlueCross	13	14
Commercial and other	38	36
Patients	14	13
	<u>100%</u>	<u>100%</u>

(16) **Commitments and Contingencies**

(a) *Litigation*

The Corporation is subject to numerous laws and regulations of federal, state, and local governments. The Corporation's compliance with these laws and regulations can be subject to periodic governmental review and interpretation, which can result in regulatory action unknown or unasserted at this time. Management is aware of certain asserted and unasserted legal claims and regulatory matters arising in the ordinary course of business. After consultation with legal counsel, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the Corporation's financial position.

(b) *Letters of Credit*

M&T Bank has established an open letter of credit for Sinai of \$211 (which has not been drawn upon) to guarantee Sinai's obligation for liabilities assumed as a member of a risk retention group

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during the period 1988 to 1994. Additionally, M&T Bank has established a standby letter of credit of \$2,260 to serve as collateral as required by the Maryland Office of Unemployment Insurance.

(c) Contract Commitments

On August 2, 2010, a construction contract was entered into for the expansion and renovation of an inpatient pediatric unit and related space at Sinai. The guaranteed maximum price for this construction project totals \$19,878, subject to revisions due to project modifications. At June 30, 2012, approximately \$2,646 remains outstanding under this commitment.

On December 8, 2009, a construction contract was entered into for a build-out and expansion of a three-story long-term care building at Levindale. The guaranteed maximum price for this construction project totals \$24,068 subject to revisions due to project modifications. Approximately \$593 remains outstanding at June 30, 2012.

(d) Operating Leases

The Corporation has entered into operating lease agreements for hospital equipment and office space, which expire on various dates through year 2020. Total rental expense for the years ended June 30, 2012 and 2011 for all operating leases was approximately \$11,473 and \$13,427, respectively. Future minimum lease payments under all noncancelable operating leases are as follows:

Year ending June 30:	
2013	\$ 9,714
2014	9,470
2015	9,323
2016	9,322
2017	8,474
Thereafter	8,474
	<u>\$ 54,777</u>

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(17) Noncontrolling Interest

In 2011, the Corporation adopted new accounting guidance (applied retroactively to June 30, 2010) that requires a not-for-profit reporting entity to account for and present noncontrolling interests in a consolidated subsidiary as a separate component of the appropriate class of consolidated net assets (equity). The reconciliation of a noncontrolling interest reported in unrestricted net assets is as follows:

	LifeBridge Health, Inc.	Noncontrolling interest	Unrestricted net assets
Balance at June 30, 2010	\$ 371,514	—	371,514
Operating income	21,666	(600)	21,066
Nonoperating income	42,812	—	42,812
Excess of revenues over expenses	64,478	(600)	63,878
Change in funded status of pension plan	10,582	—	10,582
Net assets released for purchase of property and equipment	5,969	—	5,969
Other	697	—	697
Noncontrolling interest beginning net assets	(528)	528	—
Change in net assets	81,198	(72)	81,126
Balance at June 30, 2011	452,712	(72)	452,640
Operating income	23,583	(321)	23,262
Nonoperating income	5,552	—	5,552
Excess of revenues over expenses	29,135	(321)	28,814
Change in funded status of pension plan	(17,159)	—	(17,159)
Net assets released for purchase of property and equipment	16,101	—	16,101
Other	164	—	164
Change in net assets	28,241	(321)	27,920
Balance at June 30, 2012	\$ 480,953	(393)	480,560

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(18) Functional Expenses

The Corporation provides general healthcare services to patients. Expenses for the years ended June 30, 2012 and 2011 related to providing these services are as follows:

	<u>2012</u>	<u>2011</u>
Healthcare services	\$ 783,712	748,131
General and administrative	244,547	221,249
	<u>\$ 1,028,259</u>	<u>969,380</u>

(19) Fair Value of Financial Instruments

The following methods and assumptions were used by the Corporation in estimating the fair value of its financial instruments:

(a) *Assets and Liabilities*

Cash and cash equivalents, patient service receivables, other receivables, inventory, prepaid expenses, pledges receivable, accounts payable and accrued liabilities, advances to third-party payors, and other current liabilities – The carrying amounts reported in the consolidated balance sheet approximate the related fair values.

Investments (donor-restricted, assets limited as to use, and long-term), and beneficial interest in split interest agreements – Fair values are based on quoted market prices of individual securities or investments if available, or are estimated using quoted market prices for similar securities or investment managers' best estimate of underlying fair value.

Investment in unconsolidated affiliates – Investments in unconsolidated affiliates are not readily marketable. Therefore, it is not practicable to estimate their fair value and such investments are recorded in accordance with the equity method or at cost.

(b) *Long-Term Debt*

The Series 2008 MHHEFA Bonds bear interest at fixed rates and had a carrying amount and fair value of \$288,769 and \$251,946 at June 30, 2012 and 2011, respectively. The fair market value of the fixed rate Series 2011 MHHEFA Bonds was \$58,023 as of June 30, 2012. The fair value of the Corporation's long-term debt is measured using quoted offered-side prices when quoted market prices are available. If quoted market prices are not available, the fair value is determined by discounting the future cash flows of each instrument at rates that reflect, among other things, market interest rates and the Corporation's credit standing. In determining an appropriate spread to reflect its credit standing, the Corporation considers credit default swap spreads, bond yields of other long-term debt, and interest rates currently offered for similar debt instruments of comparable maturities by the Corporation's bankers as well as other banks that regularly compete to provide financing to the Corporation.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

The following table presents assets that are measured at fair value on a recurring basis as of June 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 23,261	—	—	23,261
Equity securities and mutual funds	211,715	—	—	211,715
Treasury securities	15,682	—	—	15,682
Government securities	—	7,072	—	7,072
Asset-backed securities	—	1,259	—	1,259
Corporate obligations	—	21,969	—	21,969
Beneficial interest in split interest agreement	—	3,930	—	3,930
Total assets	<u>\$ 250,658</u>	<u>34,230</u>	<u>—</u>	<u>284,888</u>

The following table presents assets that are measured at fair value on a recurring basis as of June 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 28,132	—	—	28,132
Equity securities and mutual funds	206,603	—	—	206,603
Treasury securities	18,636	—	—	18,636
Government securities	—	25,018	—	25,018
Asset-backed securities	—	693	—	693
Corporate obligations	—	23,438	—	23,438
Beneficial interest in split interest agreement	—	3,998	—	3,998
Total assets	<u>\$ 253,371</u>	<u>53,147</u>	<u>—</u>	<u>306,518</u>

See note 2(f) for information on investments of the Corporation, which are treated under the equity method and are not reported above.

For the years ended June 30, 2012 and 2011, there were no significant transfers into or out of Levels 1, 2, or 3.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(20) Subsequent Events

Management evaluated all events and transactions that occurred after June 30, 2012 and through October 24, 2012. The Corporation did not have any subsequent events that were required to be recognized or disclosed during this period.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30, 2012

(Dollars in thousands)

Assets	Sinai Hospital Consolidated	Northwest Hospital	Levindale Hebrew Geriatric Ctr & Hospital	Courtland Gardens	Other LifeBridge Entities	Eliminations	LifeBridge Health Consolidated
Current assets:							
Cash and cash equivalents	\$ 92,364	48,034	4,277	709	13,821	—	159,205
Donor-restricted investments	7,936	539	277	—	—	—	8,752
Assets limited as to use, current portion	12,628	6,458	412	—	—	—	19,498
Patient service receivables, net of allowance for doubtful accounts of \$23,560	75,313	25,688	7,389	2,141	2,976	—	113,507
Other receivables	32,413	982	556	23	27,466	(56,116)	5,324
Inventory	19,825	3,518	77	4	43	—	23,467
Prepaid expenses	2,981	483	143	15	5,900	—	9,522
Pledges receivable, current portion	1,638	230	1,546	—	—	—	3,414
Total current assets	245,098	85,932	14,677	2,892	50,206	(56,116)	342,689
Long-term investments	129,647	73,044	24,518	—	82,902	—	310,111
Reinsurance recovery receivable	—	—	—	—	20,461	—	20,461
Assets limited as to use, net of current portion	—	—	—	—	37,646	—	37,646
Pledges receivable, net of current portion	5,986	822	1,710	—	—	—	8,518
Property and equipment, net	279,335	108,031	46,135	4,901	33,628	—	472,030
Deferred financing costs, net of accumulated amortization of \$396	1,821	586	150	—	—	—	2,557
Beneficial interest in split interest agreement	3,930	—	—	—	—	—	3,930
Investment in unconsolidated affiliates	—	—	—	—	61,996	(59,375)	2,621
Other assets, net of accumulated amortization of \$228	5,221	257	214	—	3,438	—	9,130
Total assets	\$ 671,038	268,672	87,404	7,793	290,277	(115,491)	1,209,693

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30, 2012

(Dollars in thousands)

Liabilities and Net Assets	Sinai Hospital Consolidated	Northwest Hospital	Levindale Hebrew Geriatric Ctr & Hospital	Courtland Gardens	Other LifeBridge Entities	Eliminations	LifeBridge Health Consolidated
Current liabilities:							
Accounts payable and accrued liabilities	\$ 78,755	18,476	7,207	1,322	34,837	(56,116)	84,481
Accrued salaries, wages, and benefits	29,163	9,692	2,863	458	10,769	—	52,945
Advances from third-party payors	32,062	7,064	3,112	75	—	—	42,313
Current portion of long-term debt and capital lease obligations	3,179	988	142	—	1,907	—	6,216
Other current liabilities	387	249	13	—	325	—	974
Total current liabilities	143,546	36,469	13,337	1,855	47,838	(56,116)	186,929
Other long-term liabilities	65,943	11,021	6,664	34	62,627	—	146,289
Long-term debt and capital lease obligations, net of current portion	236,476	79,277	9,904	—	9,829	—	335,486
Total liabilities	445,965	126,767	29,905	1,889	120,294	(56,116)	668,704
Net assets:							
Unrestricted:							
Unrestricted net assets	178,563	138,240	53,966	5,904	163,655	(59,375)	480,953
Noncontrolling interest in consolidated subsidiaries	—	—	—	—	(393)	—	(393)
Total unrestricted net assets	178,563	138,240	53,966	5,904	163,262	(59,375)	480,560
Temporarily restricted	36,195	3,665	3,533	—	2,498	—	45,891
Permanently restricted	10,315	—	—	—	4,223	—	14,538
Total liabilities and net assets	\$ 671,038	268,672	87,404	7,793	290,277	(115,491)	1,209,693

See accompanying independent auditors' report.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidating Statement of Operations Information

Year ended June 30, 2012

(Dollars in thousands)

	<u>Sinai Hospital Consolidated</u>	<u>Northwest Hospital</u>	<u>Levindale Hebrew Geriatric Ctr & Hospital</u>	<u>Courtland Gardens</u>	<u>Other LifeBridge Entities</u>	<u>Eliminations</u>	<u>LifeBridge Health Consolidated</u>
Unrestricted revenues, gains, and other support:							
Net patient service revenue	\$ 664,385	220,022	70,453	14,533	26,494	—	995,887
Net assets released from restrictions used for operations	2,688	—	899	—	428	—	4,015
Other operating revenue	44,096	6,914	1,556	112	51,583	(52,642)	51,619
Total operating revenues	<u>711,169</u>	<u>226,936</u>	<u>72,908</u>	<u>14,645</u>	<u>78,505</u>	<u>(52,642)</u>	<u>1,051,521</u>
Expenses:							
Salaries and employee benefits	364,308	115,402	44,812	9,388	33,410	171	567,491
Supplies	116,906	34,152	8,197	922	3,662	—	163,839
Purchased services	124,923	32,260	14,503	3,234	35,817	(52,813)	157,924
Depreciation, amortization, and gain/loss on sale of assets	32,689	11,724	3,063	562	9,266	—	57,304
Repairs and maintenance	12,729	3,877	1,189	139	492	—	18,426
Provision for bad debts	26,489	14,559	621	478	1,509	—	43,656
Interest	13,009	4,523	327	—	1,760	—	19,619
Total expenses	<u>691,053</u>	<u>216,497</u>	<u>72,712</u>	<u>14,723</u>	<u>85,916</u>	<u>(52,642)</u>	<u>1,028,259</u>
Operating income (loss)	<u>20,116</u>	<u>10,439</u>	<u>196</u>	<u>(78)</u>	<u>(7,411)</u>	<u>—</u>	<u>23,262</u>
Other income, net:							
Investment income	7,838	5,445	794	—	2,630	—	16,707
Unrealized gains on trading investments	(4,824)	(4,188)	(456)	—	(1,332)	—	(10,800)
Earnings on equity investments	—	—	—	—	(355)	—	(355)
Total other income, net	<u>3,014</u>	<u>1,257</u>	<u>338</u>	<u>—</u>	<u>943</u>	<u>—</u>	<u>5,552</u>
Excess (deficiency) of revenues over expenses	\$ <u>23,130</u>	<u>11,696</u>	<u>534</u>	<u>(78)</u>	<u>(6,468)</u>	<u>—</u>	<u>28,814</u>

See accompanying independent auditors' report.