

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 2010 calendar year, or tax year beginning 07/01, 2010, and ending 06/30, 2011

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 <u>LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC</u> Doing Business As _____	D Employer identification number <u>52-0607913</u>
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>2434 WEST BELVEDERE AVENUE</u>	E Telephone number <u>(410) 601-5653</u>
	City or town, state or country, and ZIP + 4 <u>BALTIMORE, MD 21215</u>	G Gross receipts \$ <u>72,963,589.</u>
	F Name and address of principal officer: <u>ARIC SPITULNIK</u> <u>2434 WEST BELVEDERE AVE BALTIMORE, MD 21215</u>	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)
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(c) Group exemption number ▶ _____
J Website: ▶ <u>WWW.LIFEBRIDGEHEALTH.ORG/LEVINDALE</u>		L Year of formation: <u>1965</u> M State of legal domicile: <u>MD</u>
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ _____		

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>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.</u>		
	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	25.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	23.
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	942.
	6	Total number of volunteers (estimate if necessary)	6	165.
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue			Prior Year	Current Year
	8	Contributions and grants (Part VIII, line 1h)	458,969.	1,044,479.
	9	Program service revenue (Part VIII, line 2g)	76,692,177.	70,038,738.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	944,174.	1,485,567.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	597,808.	394,805.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	78,693,128.	72,963,589.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,276.	0.
	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)	46,235,302.	45,876,301.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
		b Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>20,752.</u>		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	33,611,056.	28,213,374.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	79,849,634.	74,089,675.
19	Revenue less expenses. Subtract line 18 from line 12	-1,156,506.	-1,126,086.	
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	75,256,690.	93,327,274.
	21	Total liabilities (Part X, line 26)	24,890,458.	32,014,277.
22	Net assets or fund balances. Subtract line 21 from line 20	50,366,232.	61,312,997.	

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	<u>5/17/12</u> Date
	<u>Charles Orlando CFO</u> Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name <u>Raymond Ly</u>	Preparer's signature 	Date <u>5-10-12</u>	Check if self-employed <input type="checkbox"/>	PTIN <u>P01205643</u>
	Firm's name ▶ <u>KPMG LLP</u>	EIN ▶ <u>13-5565207</u>		Phone no. ▶ <u>703-286-8000</u>	
	Firm's address ▶ <u>1676 INTERNATIONAL DRIVE MCLEAN, VA 22102</u>				

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	Name of exempt organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2434 WEST BELVEDERE AVENUE	
	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)

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	03	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, 20 12, 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, 2010, and ending 06/30, 2011.

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	\$
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 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).

Type or print File by the extended due date for filing your return. See instructions.	Name of exempt organization LEVINDALE HEBREW GERIATRIC CEN AND HOSPITAL INC	Employer identification number 52-0607913
	Number, street, and room or suite no. If a P.O. box, see instructions. 2434 WEST BELVEDERE AVENUE	
	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	03	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.
- 4 I request an additional 3-month extension of time until 05/15, 2012.
- 5 For calendar year _____, or other tax year beginning 07/01, 2010, and ending 06/30, 2011.
- 6 If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period
- 7 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 \$	
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

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 ▶ *Ryan T. Ly* Title ▶ Tax Mgr Date ▶ 12/15/2011

Part III Statement of Program Service Accomplishments

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

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

4a (Code:) (Expenses \$ 35,777,735. including grants of \$) (Revenue \$ 45,211,458.)
LEVINDALE OPERATES A 120 BED CHRONIC HOSPITAL

4b (Code:) (Expenses \$ 6,352,805. including grants of \$) (Revenue \$ 12,476,984.)
LEVINDALE OPERATES A 146 BED SKILLED NURSING FACILITY

4c (Code:) (Expenses \$ 3,512,205. including grants of \$) (Revenue \$ 5,440,246.)
LEVINDALE OPERATES A 26 BED SUB-ACUTE UNIT

4d Other program services. (Describe in Schedule O.)
(Expenses \$ 5,752,157. including grants of \$) (Revenue \$ 6,918,646.)

4e Total program service expenses ► 51,394,902.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14 a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	X	

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, and Yes/No response boxes. Rows include questions 21 through 38 regarding grants, compensation, tax-exempt bonds, and organizational transactions.

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, question text, and Yes/No checkboxes. Includes questions 1a through 14b regarding Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business income, foreign accounts, tax shelter transactions, and contributions.

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 columns for question number, description, and Yes/No checkboxes. Includes questions 1a-1b, 2-9 regarding governing body members, relationships, and documentation.

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

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 10a-16b regarding local chapters, policies, conflict of interest, whistleblower, and document retention.

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 (501(c)(3)s only) available for public inspection.
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
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 X

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 (check all that apply)						(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			
(1) ARIC SPITULNIK PRESIDENT/COO/DIRECTOR	40.00	X		X			237,336.	0.	60,483.	
(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 DIRECTOR	1.00	X					0.	0.	0.	
(7) MARC A. COHEN DIRECTOR	1.00	X					0.	0.	0.	
(8) ANNETTE COOPER SECRETARY/DIRECTOR	1.00	X		X			0.	0.	0.	
(9) JASON A. FRANK ESQUIRE DIRECTOR	1.00	X					0.	0.	0.	
(10) SHELLEY GOLDSEKER DIRECTOR	1.00	X					0.	0.	0.	
(11) WARREN GREEN CEO/DIRECTOR	1.00	X		X			0.	903,893.	41,081.	
(12) MARLENE KOEPEL DIRECTOR	1.00	X					0.	0.	0.	
(13) ALAN KOTZ DIRECTOR	1.00	X					0.	0.	0.	
(14) EDWARD L. MORRIS M.D. TREASURER/DIRECTOR	1.00	X		X			0.	0.	0.	
(15) BETSY NARROW DIRECTOR	1.00	X					0.	0.	0.	
(16) HOWARD PERLOW 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 (check all that apply)						(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			
(17) ABBA D. POLIAKOFF ESQUIRE DIRECTOR	1.00	X					0.	0.	0.	
(18) MICHAEL H RENBAUM CHAIR\DIRECTOR	1.00	X		X			0.	0.	0.	
(19) LEE ROSENBERG DIRECTOR	1.00	X					0.	0.	0.	
(20) BERNARD RUBIN M.D. DIRECTOR	1.00	X					1,188.	0.	0.	
(21) BENJAMIN SCHAPIRO DIRECTOR	1.00	X					0.	0.	0.	
(22) RICHARD SHATZKIN DIRECTOR	1.00	X					0.	0.	0.	
(23) ROBERT SMELKINSON DIRECTOR	1.00	X					0.	0.	0.	
(24) DAVID UHLFELDER CPA DIRECTOR	1.00	X					0.	0.	0.	
(25) HOWARD D. WEISS DIRECTOR	1.00	X					1,188.	0.	0.	
(26) HOWARD M. WEISS DIRECTOR	1.00	X					0.	0.	0.	
(27) CHARLES S. WINNER ESQUIRE DIRECTOR	1.00	X					0.	0.	0.	
(28) RICHARD M. YAFFE DIRECTOR	1.00	X					0.	0.	0.	
1b Sub-total							239,712.	903,893.	101,564.	
c Total from continuation sheets to Part VII, Section A ATTACHMENT 2							1,605,123.	532,604.	360,569.	
d Total (add lines 1b and 1c)							1,844,835.	1,436,497.	462,133.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **27**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		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? If "Yes," complete Schedule J for such individual	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? If "Yes," complete Schedule J for such person		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.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 3		

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 **7**

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 466,546.				
	e Government grants (contributions) . .	1e 21,194.				
	f All other contributions, gifts, grants, and similar amounts not included above .	1f 556,739.				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f		1,044,479.			
Program Service Revenue	Business Code					
	2a PATIENT SERVICE REVENUE	900099	7,733,477.	7,733,477.		
	b MEAL PROGRAMS	900099	401,106.	401,106.		
	c MEDICARE/MEDICAID PAYMENTS	900099	61,904,155.	61,904,155.		
	d					
	e					
	f All other program service revenue					
g Total. Add lines 2a-2f		70,038,738.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	ATTACHMENT 4		955,428.	955,428.	
	4 Income from investment of tax-exempt bond proceeds . . .		0.			
	5 Royalties		0.			
	6a Gross Rents	(i) Real	147,180.			
		(ii) Personal				
		b Less: rental expenses				
	c Rental income or (loss)		147,180.			
	d Net rental income or (loss)		147,180.		147,180.	
	7a Gross amount from sales of assets other than inventory	(i) Securities	530,139.			
		(ii) Other				
		b Less: cost or other basis and sales expenses				
		c Gain or (loss)		530,139.		
	d Net gain or (loss)		530,139.		530,139.	
	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	8,596.	8,596.			
b VENDING	900099	8,376.		8,376.		
c DAYCARE SHUTTLE	900099	76,000.		76,000.		
d All other revenue	453220	154,653.		154,653.		
e Total. Add lines 11a-11d		247,625.				
12 Total revenue. See instructions		72,963,589.	70,047,334.		1,871,776.	

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).

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 U.S. See Part IV, line 21 . . .	0.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. 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	830,065.		809,313.	20,752.
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	35,532,647.	25,455,964.	10,076,683.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions).	1,993,596.	1,574,941.	418,655.	
9 Other employee benefits	4,761,878.	3,051,328.	1,710,550.	
10 Payroll taxes	2,758,115.	2,178,911.	579,204.	
11 Fees for services (non-employees):				
a Management	0.			
b Legal	39,681.	27,001.	12,680.	
c Accounting	0.			
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	5,152,575.	278,235.	4,874,340.	
12 Advertising and promotion	63,633.	36,609.	27,024.	
13 Office expenses	0.			
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	1,307,285.	974,303.	332,982.	
17 Travel	374.		374.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	229,187.	69,206.	159,981.	
20 Interest	117,841.	117,841.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	2,373,836.	2,373,836.		
23 Insurance	0.			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a SUPPLIES -----	9,743,580.	8,751,338.	992,242.	
b PROVISION FOR BAD DEBT -----	1,161,097.	1,161,097.		
c PROFESSIONAL & TECHNICAL -----	1,304,928.	854,275.	450,653.	
d AGENCY NURSES -----	801,081.	800,803.	278.	
e ALL OTHER EXPENSES -----	5,918,276.	3,689,214.	2,229,062.	
f All other expenses -----				
25 Total functional expenses. Add lines 1 through 24f	74,089,675.	51,394,902.	22,674,021.	20,752.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	10,785,805.	1	9,920,188.
	2 Savings and temporary cash investments	1,476,097.	2	1,322,695.
	3 Pledges and grants receivable, net	388,631.	3	4,151,517.
	4 Accounts receivable, net	10,080,250.	4	7,809,070.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	73,046.	8	13,421.
	9 Prepaid expenses and deferred charges	109,766.	9	132,788.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 62,314,256.		
	b Less: accumulated depreciation	10b 26,702,059.		
	11 Investments - publicly traded securities	21,353,423.	10c	35,612,197.
	12 Investments - other securities. See Part IV, line 11	22,615,370.	11	24,481,127.
	13 Investments - program-related. See Part IV, line 11	7,975,591.	12	9,257,552.
	14 Intangible assets		13	
	15 Other assets. See Part IV, line 11	398,711.	14	
16 Total assets. Add lines 1 through 15 (must equal line 34)	75,256,690.	15	626,719.	
		16	93,327,274.	
Liabilities	17 Accounts payable and accrued expenses	6,182,175.	17	8,367,668.
	18 Grants payable		18	
	19 Deferred revenue	3,194,279.	19	3,112,279.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	15,514,004.	25	20,534,330.
	26 Total liabilities. Add lines 17 through 25	24,890,458.	26	32,014,277.
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	42,699,636.	27	49,120,790.
	28 Temporarily restricted net assets	3,443,362.	28	7,968,973.
	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	50,366,232.	33	61,312,997.
	34 Total liabilities and net assets/fund balances	75,256,690.	34	93,327,274.

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	72,963,589.
2	Total expenses (must equal Part IX, column (A), line 25)	2	74,089,675.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,126,086.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	50,366,232.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	12,072,851.
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	61,312,997.

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
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? 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
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

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)	<input type="checkbox"/>	<input type="checkbox"/>
11g(ii)	<input type="checkbox"/>	<input type="checkbox"/>
11g(iii)	<input type="checkbox"/>	<input type="checkbox"/>

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) 2010

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2009. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 2010. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2010.** 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 - 2009.** 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; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule of Contributors

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

2010

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 33¹/₃% 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, aggregate 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 aggregate 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 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)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	----- ----- -----	\$ 13,384.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	----- ----- -----	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	----- ----- -----	\$ 560,282.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	----- ----- -----	\$ 300,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	----- ----- -----	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	----- ----- -----	\$ 500,000.	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)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	----- ----- -----	\$ 21,194.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	----- ----- -----	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	----- ----- -----	\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	----- ----- -----	\$ 6,256,495.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	----- ----- -----	\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	----- ----- -----	\$ 10,000.	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)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	----- ----- -----	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14	----- ----- -----	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15	----- ----- -----	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16	----- ----- -----	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17	----- ----- -----	\$ 5,000.	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.)

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below.

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

OMB No. 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, 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 35a (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 on behalf of or in opposition to candidates for public office 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 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)	-----			

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2010

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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.
- 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.		
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) 2007	(b) 2008	(c) 2009	(d) 2010	(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)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?	X		
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		7,878.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities? If "Yes," describe in Part IV	X		31,714.
j Total. Add lines 1c through 1i			39,592.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. 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, 2011 AND OTHER LOBBYING ACTIVITIES PERFORMED ON BEHALF OF THE HOSPITAL FOR COMMUNITY STABILIZATION AND DEVELOPMENT, HEALTHCARE MALPRACTICE, AND LONG TERM CARE.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2010

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, 11, or 12.

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 and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

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 in the form of a conservation easement on the last day of the tax year. (a) Total number of conservation easements, (b) Total acreage restricted by conservation easements, (c) Number of conservation easements on a certified historic structure included in (a), (d) Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and 170(h)(4)(B)(ii)?, 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

Table with 2 columns: Amount. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X, 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenues included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X

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

Schedule D (Form 990) 2010

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

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

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	4,223,234.	4,223,234.	4,223,234.		
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	4,223,234.	4,223,234.	4,223,234.		

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ▶ _____ %
- b Permanent endowment ▶ 100.0000 %
- c Term endowment ▶ _____ %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		30,607,637.	19,205,354.	11,402,283.
c Leasehold improvements				
d Equipment		12,070,121.	6,983,677.	5,086,444.
e Other		19,636,498.	513,028.	19,123,470.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				35,612,197.

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	9,257,552.	FMV
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)	9,257,552.	

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) Amount
(1) Federal income taxes	
(2) PENSION LIABILITY	5,428,891.
(3) DEFERRED COMPENSATION	18,370.
(4) CAPTIVE PROFESSIONAL LIABILITY	205,911.
(5) A/P - RELATED PARTIES	3,252,094.
(6) OTHER LIABILITIES	1,560,000.
(7) A/P DUE TO AFFILIATE BONDS	10,069,064.
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	20,534,330.

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 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

2010

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 to low income individuals? 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 to low income individuals? 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?		
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?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

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 Worksheets 1 and 2)			1,319,587.		1,319,584.	1.78
b Unreimbursed Medicaid (from Worksheet 3, column a)			13,685,764.		13,685,764.	19.45
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			15,005,351.		15,005,348.	21.23
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 to community groups (from Worksheet 8)						
j Total. Other Benefits						
k Total. Add lines 7d and 7j			15,005,351.		15,005,348.	21.23

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

Schedule H (Form 990) 2010

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 Does 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 (at cost)
- 3 Enter the estimated amount of the organization's bad debt expense (at cost) 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 in community benefit.

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

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME)
- 6 Enter Medicare allowable costs of care relating to payments on line 5
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall)
- 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 Does the organization have a written debt collection policy during the tax year?
- b 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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of Hospital Facility: LEVINDALE HEBREW GERIATRIC CENTER & HOSP

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

Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		Yes	No
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): 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 all of 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 __ __		
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			
8	Did the hospital facility have in place during the tax year a written financial assistance policy that: Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for free care: __ __ %		

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

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care: _ _ _ %		
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):		
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 type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?		
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):		
a	<input type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input type="checkbox"/> The policy was available 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 that explained actions the hospital facility may take upon non-payment?		
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year:		
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 actions (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply):		
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 actions (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):		
a	<input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b	<input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c	<input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	<input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
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?		
	If "No," indicate the reasons why (check all that apply):		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		
Charges for Medical Care			
19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):		
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d	<input 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?		
	If "Yes," explain in Part VI.		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient?		
	If "Yes," explain in Part VI.		

Part V Facility Information (continued)

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 2

Name and address	Type of Facility (describe)
1 LEVINDALE HEBREW GERIATRIC CENTER & HOSP 2434 WEST BELVEDERE AVENUE BALTIMORE MD 21215	NURSING HOME
2 LEVINDALE HEBREW GERIATRIC CENTER & HOSP 2434 WEST BELVEDERE AVENUE BALTIMORE MD 21215	SUBACUTE NURSING HOME
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, 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, 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.
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- 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. COMMUNITY
 BENEFIT EXPENSES ARE EQUAL TO MEDICAID REVENUES IN MARYLAND, AS SUCH, 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, 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.
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- 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, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 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, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 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
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 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
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 FINANCIAL ASSISTANCE BASED ON A SLIDING SCALE. ELIGIBILITY IS CALCULATED
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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, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 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.

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.

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.

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, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
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- 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.

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.

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 AND SUB-ACUTE HOSPITALIZATION ARE OFTEN ADMITTED TO

**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

2010

**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 organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <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 from the organization or a related organization? **4a** X
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** X
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** X
- 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? **5a** X
- b** Any related organization? **5b** X
- 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? **6a** X
- b** Any related organization? **6b** X
- 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 **7** X

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 **8** X

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

	Yes	No
1b		
2		
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) 2010

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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

	(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation				(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(iii) Other reportable compensation				
1	ARIC SPITULNIK	(i) 228,999	0	8,337	33,784	26,699	297,819	0	
		(ii) 0	0	0	0	0	0	0	
2	WARREN GREEN	(i) 810,127	0	93,766	22,992	18,089	944,974	64,516	
		(ii) 172,149	60,653	203	0	1,657	234,662	0	
3	JOCELYN EI-SAYED	(i) 195,389	21,966	1,787	0	21,461	240,603	0	
		(ii) 0	0	0	0	0	0	0	
4	SUNIL RAJANI	(i) 171,710	26,358	801	0	20,633	219,502	0	
		(ii) 0	0	0	0	0	0	0	
5	GIZAW WOLDEHIWOT M.D.	(i) 168,221	15,222	117	0	657	184,217	0	
		(ii) 0	0	0	0	0	0	0	
6	BABATUNDE AJANI M.D.	(i) 160,674	15,930	1,212	0	20,869	198,685	0	
		(ii) 0	0	0	0	0	0	0	
7	SURAIYA BEGUM M.D.	(i) 0	0	0	0	0	0	0	
		(ii) 0	0	0	0	0	0	0	
8	CHARLES ORLANDO	(i) 363,139	0	169,465	112,256	18,749	663,609	141,045	
		(ii) 251,622	0	42,126	60,455	14,077	368,280	37,379	
9	SUSAN LEVY STROHM M.D.	(i) 159,811	0	22,182	41,524	20,696	244,213	17,288	
		(ii) 0	0	0	0	0	0	0	
10	RAUL LUJAN	(i) 0	0	0	0	0	0	0	
		(ii) 0	0	0	0	0	0	0	
11		(i) 0	0	0	0	0	0	0	
		(ii) 0	0	0	0	0	0	0	
12		(i) 0	0	0	0	0	0	0	
		(ii) 0	0	0	0	0	0	0	
13		(i) 0	0	0	0	0	0	0	
		(ii) 0	0	0	0	0	0	0	
14		(i) 0	0	0	0	0	0	0	
		(ii) 0	0	0	0	0	0	0	
15		(i) 0	0	0	0	0	0	0	
		(ii) 0	0	0	0	0	0	0	
16		(i) 0	0	0	0	0	0	0	
		(ii) 0	0	0	0	0	0	0	

Part III Supplemental Information

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

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	\$64,516
CHARLES ORLANDO	\$141,045
SUSAN LEVY-STROHM	\$37,379
RAUL LUJAN	\$17,288
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

2010

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) 2010

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) KEITH ATTMAN	DIRECTOR	1,808,648.	SEE PART V		X
(2) BERNARD RUBIN	DIRECTOR	327,057.	SEE PART V		X
(3)					
(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 \$1,808,648 IN PAPER SUPPLIES FROM ACME PAPER AND

SUPPLY, CO. ONE OF THE DIRECTORS OF LEVINDALE HEBREW GERIATRIC CENTER,

INC., MR. KEITH ATTMAN, HAS A FAMILY RELATIONSHIP WITH AN OWNER OF THE

FIRM. ALL TRANSACTIONS WERE AT FAIR MARKET VALUE AND NEGOTIATED AT ARM'S

LENGTH. LEVINDALE HEBREW GERIATRIC CENTER, INC. AND THE LIFEBRIDGE HEALTH

SUBSIDIARIES RECEIVED \$327,057 IN EKG AND ECHO READING SERVICES FROM

BALTIMORE HEART ASSOCIATES, PA. ONE OF THE DIRECTORS LEVINDALE HEBREW

GERIATRIC CENTER, INC., DR. RUBIN, IS ASSOCIATED WITH THE FIRM. ALL

TRANSACTIONS WERE AT FAIR MARKET VALUE AND 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

2010

**Open to Public
Inspection**

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

Employer identification number
52-0607913

PROGRAM SERVICE ACCOMPLISHMENTS

PART III, LINE 4D

LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL IS A SPECIALTY HOSPITAL AND NURSING HOME WITH 292 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 35,466 INPATIENT DAYS: 19,935 IN THE CHRONIC UNIT, 1,415 IN THE REHABILITATION UNIT AND 14,116 IN THE BEHAVIORAL HEALTH UNIT. FURTHERMORE, LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL'S NURSING FACILITY PROVIDED 48,360 PATIENT DAYS IN ADDITION TO 11,817 IN THE SKILLED NURSING FACILITY. LEVINDALE HAS ALSO PROVIDED 18,873 DAYS IN ITS ADULT DAY CARE PROGRAM. THE PARTIAL HOSPITALIZATION PROGRAM HAD 4,358 DAYS. OTHER PROGRAM SERVICE EXPENSES INCLUDE CAFETERIA FOR RESIDENTS, VISITORS AND STAFF, AS WELL AS TRANSPORTATION FOR THE ELDERLY TO PROGRAMS RUN BY LEVINDALE.

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

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER
AND HOSPITAL INC

Employer identification number
52-0607913

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 AND GENERAL COUNSEL, CORPORATE CONTROLLER AND THE CORPORATE DIRECTOR OF FINANCE TO REVIEW IN THEIR ENTIRETY ALL THE LIFEBRIDGE EXEMPT ENTITIES 990'S. MANAGEMENT THEN PROVIDES A COPY OF THE 990'S TO EACH INDIVIDUAL BOARD DIRECTOR AT THE MEETING IMMEDIATELY PRIOR TO THE FILING DATE FOR REVIEW.

CONFLICT OF INTEREST POLICY
FORM 990, PART VI, LINE 12C

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER
AND HOSPITAL INC

Employer identification number
52-0607913

LIFEBRIDGE AND ALL OF ITS SUBSIDIARIES SHALL 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. AN ANNUAL QUESTIONNAIRE IS DISTRIBUTED TO THE EMPLOYEES TITLED DIRECTORS AND ABOVE AND IT IS ALSO SENT TO ALL THE LIFEBRIDGE AND SUBSIDIARY BOARD MEMBERS. THE OFFICE OF THE GENERAL COUNSEL REVIEWS ALL RESPONSES AND DETERMINES WHETHER A POTENTIAL CONFLICT EXISTS. 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

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. ONE OR MORE 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

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. A GROUP OF SENIOR EXECUTIVES IS ALSO ELIGIBLE TO PARTICIPATE IN A LONG-TERM PAY-FOR-PERFORMANCE PROGRAM. GOALS FOR THIS PROGRAM ARE ESTABLISHED BY THE COMPENSATION COMMITTEE IN THREE-YEAR

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER
AND HOSPITAL INC

Employer identification number
52-0607913

CYCLES AND ARE RELATED TO THE ORGANIZATION'S LONG-TERM MISSION AND STRATEGIC DIRECTION. 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.

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 PROGRAM SERVICES

FORM 990, PART III, LINE 4D

LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL IS A SPECIALTY HOSPITAL

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

Employer identification number
52-0607913

AND NURSING HOME WITH 292 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 35,466 INPATIENT DAYS: 19,935 IN THE CHRONIC UNIT, 1,415 IN THE REHABILITATION UNIT AND 14,116 IN THE BEHAVIORAL HEALTH UNIT. FURTHERMORE, LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL'S NURSING FACILITY PROVIDED 48,360 PATIENT DAYS IN ADDITION TO 11,817 IN THE SKILLED NURSING FACILITY. LEVINDALE HAS ALSO PROVIDED 18,873 DAYS IN ITS ADULT DAY CARE PROGRAM. THE PARTIAL HOSPITALIZATION PROGRAM HAD 4,358 DAYS. OTHER PROGRAM SERVICE EXPENSES INCLUDE CAFETERIA FOR RESIDENTS, VISITORS AND STAFF, AS WELL AS TRANSPORTATION FOR THE ELDERLY TO PROGRAMS RUN BY LEVINDALE.

OTHER CHANGES IN NET ASSETS

FORM 990, PART XI, LINE 5

ADJUSTMENT TO PENSION BENEFIT OBLIGATION	3,992,220
INCREASE IN PLEDGE RECEIVABLES	3,762,885
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	2,769,761
UNREALIZED GAINS ON INVESTMENTS	2,433,917
CHANGED IN NET ASSETS OF BALTIMORE JEWISH ELDER FDTN	1,281,962
NET ASSETS RELEASED FROM GRANTS FOR BGE LIGHTING	23,438
OPERATING EXPENDITURES - TEMPORARILY RESTR NET ASSETS	(86,263)
TRANSFER TO AFFILIATE	(2,105,069)

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 12,072,851

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

ATTACHMENT 2

PART VII - CONTINUATION OF OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES AND HIGHEST COMPENSATED EMPLOYEES

(1)=IND.TRUSTEE/DIR. (2)=INS.TRUSTEE (3)=OFFICER (4)=KEY EMP. (5)=HIGHEST COMP. (6)=FORMER

(A) NAME AND TITLE	(B) HOURS	(C) POSITION						COMPENSATION FROM		
		(1)	(2)	(3)	(4)	(5)	(6)	(D) ORG.	(E) REL. ORG.	(F) OTHER
29 CHARLES ORLANDO CHIEF FINANCIAL OFFICER	1.00			X				0.	532,604.	131,005.
30 SUSAN LEVY STROHM M.D. VP MEDICAL AFFAIRS	40.00			X				293,748.	0.	74,532.
31 RAUL LUJAN VP FINANCE	40.00			X				181,993.	0.	62,220.
32 CATHY GALLO VP OPERATIONS CNO	40.00			X				116,990.	0.	27,535.
33 JOCELYN EI-SAYED PHYSICIAN	40.00				X			233,005.	0.	1,657.
34 SUNIL RAJANI PHYSICIAN	40.00				X			219,142.	0.	21,461.
35 GIZAW WOLDEHIWOT M.D. PHYSICIAN	40.00				X			198,869.	0.	20,633.
36 BABATUNDE AJANI M.D. PHYSICIAN	40.00				X			183,560.	0.	657.

Name of the organization LEVINDALE HEBREW GERIATRIC CENTER AND HOSPITAL INC	Employer identification number 52-0607913
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ATTACHMENT 2 (CONT'D)

37 SURAIYA BEGUM M.D. PHYSICIAN	40.00	X	177,816.	0.	20,869.
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ATTACHMENT 3

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

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
ARAMARK CORPORATION HSS PO BOX 828441 PHILADELPHIA, PA 19182	FOOD SERVICES	2,495,487.
RENAL TREATMENT CENTERS PO BOX 403008 ATLANTA, GA 30384	RENAL DIALYSIS	660,240.
LOVING CARE SERVICES INC 222 MILFORD MILL RD PIKESVILLE, MD 21208	AGENCY NURSING	707,073.
FTI CONSULTING P. O. BOX 631916 BALTIMORE, MD 21263	CONSULTING	216,218.
CROTHALL SERVICES GROUP 13028 COLLECTION CENTER DR CHICAGO, IL 60693	CONTRACT CLEANING	321,529.
TOTAL COMPENSATION		<u>4,400,547.</u>

ATTACHMENT 4

FORM 990, PART VIII - INVESTMENT INCOME

<u>DESCRIPTION</u>	<u>(A) TOTAL REVENUE</u>	<u>(B) RELATED OR EXEMPT REVENUE</u>	<u>(C) UNRELATED BUSINESS REV.</u>	<u>(D) EXCLUDED REVENUE</u>
INTEREST ON SAVINGS AND TEMP CASH INV	25,011.			25,011.
DIVIDENDS / INTEREST FROM SECURITIES	930,417.			930,417.
TOTALS	<u>955,428.</u>			<u>955,428.</u>

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ 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.

OMB No. 1545-0047

2010

Open to Public
Inspection

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" on Form 990, Part IV, line 33.)

(1)	(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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(1)	(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 SCOTTIS 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) 2010

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ 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.

OMB No. 1545-0047

2010

Open to Public
Inspection

Name of the organization
AND HOSPITAL, INC

LEVINDALE HEBREW GERIATRIC CENTER

Employer identification number
52-0607913

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on 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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(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) 2010

JSA

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) LIFEBRIDGE INVESTMENTS INC 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215 52-1483166	HEALTHCARE	MD	LBH	C CORP			
(2) HEALTHSTAR MEDICAL SERVICES INC 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215 52-1829098	HEALTHCARE	MD	LBH	C CORP			
(3) PRACTICE DYNAMICS INC 124 BUSINESS CENTER DRIVE REISTERSTOWN, MD 21136 52-1960319	HEALTHCARE	MD	LBH	C CORP			
(4) SURGICAL ONCOLOGY ASSOCIATES INC 2401 WEST BELVEDERE AVENUE BALTIMORE, MD 21215 52-1804659	HEALTHCARE	MD	LBH	C CORP			
(5) LIFEBRIDGE INSURANCE COMPANY LTD PO BOX 1109 GRAND CAYMAN, CAYMAN ISLANDS CU 98-0415396	INSURANCE	CJ	LBH	C CORP			
(6) LIFEBRIDGE COMMUNITY PHYSICIANS INC 2401 W. BELVEDERE AVE. BALTIMORE, MD 21212 80-0719005	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 other organization(s)	X	
c Gift, grant, or capital contribution from other organization(s)	X	
d Loans or loan guarantees to or for other organization(s)	X	
e Loans or loan guarantees by other organization(s)	X	
f Sale of assets to other organization(s)	X	
g Purchase of assets from other organization(s)	X	
h Exchange of assets	X	
i Lease of facilities, equipment, or other assets to other organization(s)	X	
j Lease of facilities, equipment, or other assets from other organization(s)	X	
k Performance of services or membership or fundraising solicitations for other organization(s)	X	
l Performance of services or membership or fundraising solicitations by other organization(s)	X	
m Sharing of facilities, equipment, mailing lists, or other assets	X	
n Sharing of paid employees	X	
o Reimbursement paid to other organization for expenses	X	
p Reimbursement paid by other organization for expenses	X	
q Other transfer of cash or property to other organization(s)	X	
r Other transfer of cash or property from other 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.	B	2,105,069.	FMV
(2)	BALTIMORE JEWISH ELDERCARE FOUNDATION	C	560,282.	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) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
				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, 2011 and 2010

(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, 2011 and 2010, 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 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 audits 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 consolidated 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 financial position of LifeBridge Health, Inc. and Subsidiaries as of June 30, 2011 and 2010 and the results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements of LifeBridge Health, Inc. and Subsidiaries taken as a whole. The consolidating information included in schedules 1 and 2 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as whole.

KPMG LLP

October 27, 2011

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2011 and 2010

(Dollars in thousands)

Assets	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and cash equivalents	\$ 138,158	112,332
Donor restricted investments	17,178	16,588
Assets limited as to use, current portion	34,671	12,304
Patient service receivables, net of allowance for doubtful accounts of \$23,191 in 2011 and \$23,779 in 2010	114,399	108,476
Other receivables	5,100	4,855
Inventory	21,362	19,913
Prepaid expenses	10,605	10,888
Pledges receivable, current portion	4,081	3,030
Total current assets	<u>345,554</u>	<u>288,386</u>
Long-term investments	289,200	230,225
Assets limited as to use, net of current portion	46,461	37,796
Pledges receivable, net of current portion	9,063	7,848
Property and equipment, net	440,790	401,301
Deferred financing costs, net of accumulated amortization of \$275 in 2011 and \$183 in 2010	2,678	1,814
Beneficial interest in split interest agreement	3,998	3,379
Investment in unconsolidated affiliates	2,304	2,177
Other assets, net of accumulated amortization of \$97 in 2011 and \$69 in 2010	8,568	7,184
Total assets	<u>\$ 1,148,616</u>	<u>980,110</u>

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2011 and 2010

(Dollars in thousands)

Liabilities and Net Assets	2011	2010
Current liabilities:		
Accounts payable and accrued liabilities	\$ 83,950	67,454
Accrued salaries, wages and benefits	57,599	48,979
Advances from third-party payors	36,317	29,910
Current portion of long-term debt and capital lease obligations	5,235	5,043
Other current liabilities	946	1,210
Total current liabilities	<u>184,047</u>	<u>152,596</u>
Other long-term liabilities	99,101	98,260
Long-term debt and capital lease obligations, net of current portion	<u>341,364</u>	<u>295,756</u>
Total liabilities	<u>624,512</u>	<u>546,612</u>
Net assets:		
Unrestricted	452,712	371,514
Noncontrolling interest in consolidated subsidiaries	(72)	—
Total unrestricted net assets	<u>452,640</u>	<u>371,514</u>
Temporarily restricted	56,743	48,064
Permanently restricted	<u>14,721</u>	<u>13,920</u>
Total liabilities and net assets	<u>\$ 1,148,616</u>	<u>\$ 980,110</u>

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended June 30, 2011 and 2010

(Dollars in thousands)

	2011	2010
Unrestricted revenues, gains and other support:		
Net patient service revenue	\$ 954,761	928,867
Net assets released from restrictions used for operations	3,680	3,122
Other operating revenue	32,005	32,156
Total operating revenues	990,446	964,145
Expenses:		
Salaries and employee benefits	530,303	509,009
Supplies	158,210	168,962
Purchased services	151,141	149,773
Depreciation, amortization and gain/loss on sale of assets	54,787	54,493
Repairs and maintenance	17,001	15,742
Provision for bad debts	41,909	46,558
Interest	16,029	15,564
Total expenses	969,380	960,101
Operating income	21,066	4,044
Other income net:		
Investment income	18,871	14,154
Unrealized gains on trading investments	22,851	9,520
Earnings on investments in unconsolidated affiliates	1,090	398
Total other income net	42,812	24,072
Excess of revenues over expenses	\$ 63,878	28,116

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2011 and 2010

(Dollars in thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total net assets</u>
Net assets at June 30, 2009	\$ 348,168	43,986	13,821	405,975
Excess of revenues over expenses	28,116	—	—	28,116
Unrealized gain on investments	—	1,860	13	1,873
Net assets released from restrictions used for the purchase of property and equipment	2,902	(2,902)	—	—
Restricted gifts and bequests	—	8,206	—	8,206
Net assets released from restrictions used for operations	—	(3,122)	—	(3,122)
Net change in value of beneficial interest in split interest agreement	—	123	—	123
Adjustment to pension liability	(7,852)	—	—	(7,852)
Other	180	(87)	86	179
Change in net assets	<u>23,346</u>	<u>4,078</u>	<u>99</u>	<u>27,523</u>
Net assets at June 30, 2010	<u>371,514</u>	<u>48,064</u>	<u>13,920</u>	<u>433,498</u>
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	\$ <u><u>452,640</u></u>	<u><u>56,743</u></u>	<u><u>14,721</u></u>	<u><u>524,104</u></u>

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended June 30, 2011 and 2010

(Dollars in thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 90,606	27,523
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	54,611	54,871
Loss (gain) on disposal of equipment	176	(378)
Change in pension liability	(10,582)	7,852
Provision for bad debts	41,909	46,558
Realized and unrealized gains on investments	(33,814)	(14,284)
Restricted gifts and bequests	(13,475)	(8,206)
Change in beneficial interest of split interest agreement	(619)	(123)
Earnings on investments in unconsolidated affiliates	(1,090)	(398)
Change in minority interest in subsidiaries	(72)	—
Change in operating assets and liabilities:		
Increase in patient service receivables, net	(47,832)	(41,293)
(Increase) decrease in other receivables	(245)	1,892
(Increase) decrease in pledges receivable	(2,266)	634
Increase in inventory	(1,449)	(4,553)
Decrease (increase) in prepaid expenses	283	(2,438)
Increase (decrease) in accounts payable and accrued liabilities, and accrued salaries, wages, and benefits	9,193	(16,054)
Increase (decrease) increase in advances from third-party payors	6,407	(1,537)
Increase in other current and long-term liabilities	1,259	2,214
Net cash provided by operating activities	<u>93,000</u>	<u>52,280</u>
Cash flows from investing activities:		
Decrease (increase) in donor restricted investments	4,452	(130)
Increase in long-term investments	(30,203)	(26,684)
(Increase) decrease in assets limited as to use	(31,032)	21,293
Distributions from (investment in) unconsolidated affiliates	1,035	(193)
Additions to operating property	(66,810)	(58,253)
Proceeds from the sale of property	11	545
Acquisition of physician practices	—	(2,950)
(Increase) decrease in other assets	(2,677)	29
Net cash used in investing activities	<u>(125,224)</u>	<u>(66,343)</u>
Cash flows from financing activities:		
Payment on debt and capital lease obligations	(5,107)	(4,865)
Proceeds from issuance of debt	50,639	—
Cash paid for debt issuance costs	(957)	—
Restricted gifts and bequests	13,475	8,206
Net cash provided by financing activities	<u>58,050</u>	<u>3,341</u>
Net increase (decrease) in cash and cash equivalents	25,826	(10,722)
Cash and cash equivalents:		
Beginning of year	112,332	123,054
End of year	\$ <u>138,158</u>	<u>112,332</u>
Supplemental cash flow disclosures:		
Cash paid during the year for interest	\$ 15,529	15,637
Cash paid during the year for income taxes	6	4
Additions to property and equipment in exchange for capital lease obligations	407	836
Accounts payable related to purchase of operating property	15,923	10,195

See accompanying notes to consolidated financial statements.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

(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), and LifeBridge Investments, Inc. (Investments). 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:

Baltimore Jewish Health Foundation (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 (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 Professional, LLC (SCP) – SCP was formed August 1, 2009 concurrently with the acquisition of the assets of Clinical Associates, P.A. SCP provides multi-specialty 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 sub-acute 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/skilled nursing facility which provides specialty/long-stay hospital care, rehabilitation hospital care, comprehensive nursing care, psychiatric care, and outpatient adult daycare 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, 2011 and 2010

(Dollars in thousands)

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.

Surgical Oncology Associates, Inc. (SOA) – *SOA* is a for-profit corporation that provides medical and surgical care.

David L. Zisow, 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 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) – *HCM* was formed in January 2011 as a 51% owned subsidiary of *Investments*. *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 Limited Partnership (a nursing home located in Reisterstown, Maryland), *PLMD, LLC* (an ambulance transportation company) and Northwest Baltimore Radiation Therapy Regional Center, LLC.

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On August 1, 2009 LifeBridge acquired substantially all of the assets of, and hired substantially all of the physicians and other employees of, Clinical Associates, P.A. (Clinical), a multi-specialty medical group, for \$2,950, which approximates the fair market value of Clinical's net assets purchased. LifeBridge accounted for the acquisition under the purchase method of accounting in accordance with U.S. generally accepted accounting principles. Accordingly, LifeBridge recorded goodwill of \$2,423 which was subsequently written off, and is included in depreciation, amortization, and gain/loss on the sale of assets in the accompanying consolidated statements of operations as of June 30, 2010. Substantially all of the business formerly conducted by Clinical has been carried on by SCP and LCP.

(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) *Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those whose use by the Corporation has been restricted by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

(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, 2011 and 2010.

(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.

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(f) *Investments and Assets Limited as to Use or Restricted*

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 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 \$50,767 and \$34,694 at June 30, 2011 and 2010, respectively. These funds utilize various types of debt and equity securities and derivative instruments in their investment strategies. 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 or restricted 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 are 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 specific security's original purchase price. Unrealized gains and losses are included in other income (expense), net within the excess of revenue over expenses.

(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

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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 consists 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 \$93 and \$76 for the years ended June 30, 2011 and 2010, respectively. Such amortization is included in depreciation and amortization in the consolidated financial statements.

(i) *Beneficial Interest in Split Interest Agreement*

CHSF holds a twenty-five percent interest in a trust, of which management has estimated the present value of the future income stream. CHSF will receive twenty-five percent of the net annual income over the next thirteen years. At the end of this period in 2024, the trust will terminate, and twenty-five percent 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, Blue Cross, 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

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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 case (CPC) agreements with the HSCRC that are renewed annually. These CPC agreements establish a prospectively approved average charge per inpatient case (defined as hospital admissions plus births) and an estimated case mix index. These approved CPC targets are adjusted during the rate year for actual changes in case mix. The CPC agreements allow hospitals to adjust approved unit rates, within certain limits, to achieve the average charge per case target for each rate year ending June 30. To the extent that the actual average charge per case exceeds the target, the overcharge will reduce the approved target for future years. Under the CPC target methodology, the Hospitals monitor their average CPC compared to HSCRC case mix adjusted targets on a monthly basis. In 2010, the HSCRC implemented a charge per visit (CPV) methodology for hospital-based outpatient services, which is similar in nature to the CPC inpatient methodology discussed above. The CPV methodology establishes prospectively approved average charges per outpatient visit for approximately 73% of outpatient services provided. The remaining outpatient services are charged using the established HSCRC unit rates.

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, 2011, Levindale and Courtland had open Medicaid cost reports for the years ended June 30, 2011 and 2010.

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

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(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 2011 and 2010, based on patient charges foregone, was \$15,801 and \$17,966, 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.

LAA, LifeBridge Insurance, and Investments and its incorporated subsidiaries account for income taxes in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (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 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 reported 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,

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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.

(i) Subsequent Events

The Corporation evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date. For the year ended June 30, 2011, the Corporation evaluated subsequent events through October 27, 2011, representing the date on which the accompanying audited consolidated financial statements were issued.

(u) New Accounting Pronouncements

In December 2010, the FASB issued ASU No. 2010-29, *Business Combinations (Topic 805), Disclosure of Supplementary Pro Forma Information for Business Combinations* (ASU 2010-29), which requires an entity to disclose pro forma information for material business combinations that occurred in the current reporting period. If comparative financial statements are presented, the disclosures should include pro forma revenue and earnings of the combined entity as though the business combinations that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period. The adoption of ASU 2010-29 is effective for business combinations on or after July 1, 2011. The adoption of ASU 2010-29 is not expected to have an impact on the Corporation's consolidated financial statements.

In January 2010, FASB issued ASU No. 2010-07, *Not-for-Profit Entities (Topic 958), Not-for Profit Entities: Mergers and Acquisitions* (ASU 2010-07), which codified previous guidance on accounting for a combination of not-for-profit entities and applies to a combination that meets the definition of either a merger of not-for-profit entities or an acquisition by a not-for-profit entity. ASU 2010-07 also amends previous guidance for the reporting of goodwill and other intangibles and noncontrolling interests in consolidated financial statements to make their provisions fully applicable to not-for-profit entities. This guidance requires that goodwill be tested annually for impairment and an impairment loss be recognized if it is determined that the carrying amount of the reporting unit's net assets exceeds its fair value. No adjustments to the carrying value of previously recognized goodwill were recorded during the year ended June 30, 2011. The guidance also requires the presentation of noncontrolling interests in the net assets of consolidated subsidiaries as a separate component of the appropriate class of net assets in the consolidated balance sheets and that the

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amount of consolidated excess of revenues over expenses attributable to the noncontrolling interest be disclosed. The provisions of the standard related to the presentation and disclosure of noncontrolling interests are to be applied retrospectively to all periods presented. The adoption of this standard did not have a material impact on the Corporation's consolidated financial statements, other than the following:

- a) Noncontrolling interests were reclassified from other long-term liabilities to unrestricted net assets, separate from the Corporation's unrestricted net assets.
- b) Consolidated excess of revenues over expenses includes excess of revenues over expenses attributable to both the Corporation and noncontrolling interests.

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amends ASC Topic 820, *Fair Value Measurements and Disclosures*, to require a number of additional disclosures regarding fair value measurements. Effective fiscal year 2010, ASU 2010-06 requires disclosure of the amounts of significant transfers between Level I and Level II investments and the reasons for such transfers, the reasons for any transfers in or out of Level III investments, and disclosure of the policy for determining when transfers among levels are recognized. ASU 2010-06 also clarifies that disclosures should be provided for each class of assets and liabilities and clarifies the requirement to disclose information about the valuation techniques and inputs used in estimating Level II and Level III measurements. Effective in fiscal year 2011, ASU 2010-06 also requires that information in the reconciliation of recurring Level III measurements about purchases, sales, issuances and settlements be provided on a gross basis. The adoption of ASU 2010-06 only required additional disclosures and did not have an impact on the consolidated financial statements. As the Corporation does not have significant transfers between Levels, or any Level III measurements, no additional disclosures were necessary.

(v) ***Reclassifications***

Certain prior year amounts have been reclassified to conform to current period presentation, the effect of which is not material.

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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 fair value as of June 30, 2011 and 2010, and consist of the following:

	2011	2010
Assets limited as to use:		
Self-insurance fund:		
Mutual funds	\$ —	3,294
Equity securities	9,751	4,922
U.S. Treasury	14,098	14,491
Alternative investments	2,249	2,088
Government securities	1,991	852
Corporate obligations	10,687	12,149
Self-insurance fund	38,776	37,796
Debt service fund:		
Mutual funds	10,150	9,394
Construction fund:		
Mutual funds	12,698	2,910
Government securities	19,508	—
Assets limited as to use	81,132	50,100
Less current portion	(34,671)	(12,304)
Assets limited as to use, net of current portion	\$ 46,461	37,796
Donor-restricted investments:		
Cash and cash equivalents	\$ 2,459	16,588
U.S. Treasury	4,412	—
Mutual funds	5,020	—
Government securities	2,803	—
Corporate obligations	2,484	—
Donor-restricted investments	\$ 17,178	16,588

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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, 2011 and 2010, respectively. Of these amounts, \$37,144 and \$31,139 are included in long term investments as of June 30, 2011 and 2010, respectively:

	2011	2010
Long-term investments:		
Cash and cash equivalents	\$ 1,099	1,382
Money market	1,743	2,654
Mutual funds	132,723	107,901
U.S. Treasury	126	—
Equity securities	81,456	65,993
Government securities	1,409	1,025
Corporate obligations	16,568	16,637
Real estate investment trust	5,558	2,027
Alternative investments	48,518	32,606
	\$ 289,200	230,225

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, 2011 and 2010:

	2011	2010
Investment income:		
Interest income and dividends	\$ 12,950	11,263
Realized gains on sale of securities	5,921	2,891
Investment income	18,871	14,154
Unrealized gains on trading securities	22,851	9,520
Other changes in net assets:		
Changes in unrealized gains on temporarily and permanently restricted net assets	5,042	1,873
Total investment return	\$ 46,764	25,547

(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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obligations. Accumulated amortization related to the building and equipment under capital leases was \$10,583 and \$7,981 at June 30, 2011 and 2010, respectively.

(6) Long-Term Debt and Capital Lease Obligations

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

	2011	2010
Maryland Health and Higher Educational Facilities Authority		
Revenue Bonds Series 2008	\$ 277,880	280,440
Revenue Bonds Series 2011	50,695	—
Capital leases	15,234	17,379
	343,809	297,819
Less current portion	(5,235)	(5,043)
Unamortized premium	2,846	2,980
Unamortized discount	(56)	—
Long-term debt, net	\$ 341,364	295,756

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 a Master Loan Agreement with MHHEFA. 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 certain covenants, including limitations on mergers, disposition of assets, 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, 2011, the Obligated Group met all of its covenants.

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Sinai, Northwest, and Levindale have recorded total pledges as of June 30, 2011 and 2010 as follows:

	<u>2011</u>	<u>2010</u>
Gross pledges receivable	\$ 18,039	15,508
Less:		
Discount for time value of money	(1,926)	(2,290)
Allowance for uncollectible accounts	<u>(2,969)</u>	<u>(2,340)</u>
	<u>\$ 13,144</u>	<u>10,878</u>

Total future payments are as follows:

Less than one year	\$ 5,384
One to five years	10,269
Five years and thereafter	<u>2,386</u>
	<u>\$ 18,039</u>

(5) Property and Equipment

As described in note 10, 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:

	<u>Estimated useful life</u>	<u>2011</u>	<u>2010</u>
Land		\$ 2,747	2,747
Land improvements	8 to 20 years	9,134	9,261
Building and improvements	10 to 40 years	533,287	506,870
Fixed equipment	8 to 20 years	54,934	63,400
Movable equipment	3 to 15 years	268,562	254,967
Construction in progress		<u>63,783</u>	<u>31,159</u>
		932,447	868,404
Less accumulated depreciation		<u>(491,657)</u>	<u>(467,103)</u>
Property and equipment, net		<u>\$ 440,790</u>	<u>401,301</u>

Depreciation, amortization, and gain/loss on sale of assets was \$54,787 and \$54,493 for the years ended June 30, 2011 and 2010, respectively. Of this, depreciation expense was \$53,364 and \$52,462 for the years ended June 30, 2011 and 2010, respectively.

Included in property and equipment is building and equipment, net of accumulated amortization, of \$15,483 and \$17,249 for the years ended June 30, 2011 and 2010, respectively, financed with capital lease

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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
2012	\$ 2,685	4,203
2013	3,600	3,803
2014	3,755	3,640
2015	3,935	3,273
2016	4,130	3,184
Thereafter	310,470	6,120
	\$ 328,575	24,223
Less: interest portion		(8,989)
		\$ 15,234

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, 2011 and 2010, there were no balances outstanding on this line of credit.

(8) Temporarily and Permanently Restricted Net Assets

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

	2011	2010
Healthcare services:		
Capital equipment/construction	\$ 34,740	32,240
Other healthcare services:		
Service grants	596	611
Donor-specified healthcare services	10,864	5,442
Enrichment and research	10,543	9,771
	\$ 56,743	48,064

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Permanently restricted net assets of \$14,721 and \$13,920 at June 30, 2011 and 2010, respectively, are restricted to investments to be held in perpetuity, the income from which is expendable to support healthcare services.

(9) Employee Benefit Plans

Sinai and Levindale have noncontributory defined benefit pension plans (the Plans) covering full-time, nonunion employees. Sinai also has a similar plan covering union employees. 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 table sets forth the Plans' funded status and amounts recognized in the accompanying consolidated financial statements as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
	June 30, 2011	June 30, 2010
Measurement date		
Change in projected benefit obligation:		
Benefit obligation at beginning of year	\$ 127,012	106,971
Service cost	6,327	5,496
Interest cost	6,680	6,328
Actuarial loss	3,892	12,737
Benefits paid	(4,287)	(4,139)
Expenses paid from assets	<u>(403)</u>	<u>(381)</u>
Benefit obligation at end of year	<u>139,221</u>	<u>127,012</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	80,839	63,218
Actual return on plan assets	17,017	6,752
Company contributions	11,909	15,389
Benefits paid	(4,287)	(4,139)
Expenses paid from assets	<u>(403)</u>	<u>(381)</u>
Fair value of plan assets at end of year	<u>105,075</u>	<u>80,839</u>
Funded status	<u>\$ (34,146)</u>	<u>(46,173)</u>

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

	<u>2011</u>	<u>2010</u>
Amounts recognized in the consolidated balance sheets:		
Other current assets, net	\$ (2,031)	(586)
Other long-term liabilities	36,177	46,759
	<u>\$ 34,146</u>	<u>46,173</u>
Amounts recognized in unrestricted net assets:		
Net actuarial loss	\$ 33,997	43,978
Prior service cost	2,180	2,781
	<u>\$ 36,177</u>	<u>46,759</u>
Accumulated benefit obligation at the end of the year	<u>\$ 119,793</u>	<u>108,604</u>

Net periodic pension expense for the years ended June 30, 2011 and 2010 was as follows:

	<u>2011</u>	<u>2010</u>
Service cost	\$ 6,327	5,496
Interest cost	6,680	6,328
Expected return on plan assets	(6,217)	(4,969)
Amortization of net loss	3,073	2,434
Amortization of prior service cost	601	601
Net periodic benefit cost	<u>\$ 10,464</u>	<u>9,890</u>

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 \$601 and \$1,986, respectively.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

Actuarial assumptions used were as follows:

	<u>2011</u>	<u>2010</u>
Assumptions used to determine annual pension expense:		
Discount rate	5.50%	6.20%
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	5.60%	5.50%
Expected return on plan assets	8.00	8.00
Rate of compensation increase	4.00	4.00
Plan asset allocation:		
Asset category:		
Cash and cash equivalents	1.00%	2.00%
Fixed income/debt securities	25.00	28.00
Equities and mutual funds	56.00	52.00
Other	18.00	18.00
Total	<u>100.00%</u>	<u>100.00%</u>

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:

	<u>Target</u>
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:	
2012	\$ 5,591
2013	5,953
2014	5,366
2015	8,216
2016	7,788
2017 – 2021	52,236

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

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 \$1,897 and \$1,706 for the years ended June 30, 2011 and 2010, 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.

Certain companies under 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.

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.

(10) Regulation and Reimbursement

The Corporation provides general acute health care 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

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

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.

(12) Income Taxes

At June 30, 2011, Investments has approximately \$73,218 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 2031.

The net operating loss carryforwards created a net deferred tax asset of approximately \$28,958 and \$29,033 as of June 30, 2011 and 2010, 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, 2011 and 2010.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

(c) *Health Insurance*

The Corporation is self-insured for employee health claims. Under the self-insurance plan, the Corporation accrued a liability of \$2,048 and \$2,044 at June 30, 2011 and 2010, 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, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Medicare	28%	28%
Medicaid	9	11
Blue Cross	14	14
Commercial and other	36	35
Patients	13	12
	<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 during the period 1988 to 1994. Additionally, M&T Bank has established a standby letter of credit of \$2,244 to serve as collateral as required by the Maryland Office of Unemployment Insurance.

(c) *Contract Commitments*

On March 31, 2011, a construction contract was entered into for an expansion and renovation of a retail pharmacy and related space at Sinai. The guaranteed maximum price for this construction project was \$2,086, subject to revisions due to project modifications. Approximately \$1,227 remains outstanding as of June 30, 2011.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

(13) Other Long-Term Liabilities

Other long-term liabilities at June 30, 2011 and 2010 are as follows:

	2011	2010
Professional liability (note 13)	\$ 43,701	43,189
Pension liability	36,177	46,759
Asset retirement obligation	3,260	3,260
Deferred compensation	4,429	3,791
Other	11,534	1,261
	\$ 99,101	98,260

(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 re-insurance 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.

(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 \$5,497 and \$4,807 at June 30, 2011 and 2010, respectively, which is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

Management believes this accrual is adequate to provide for all workers' compensation claims that have been incurred through June 30, 2011. All other entities have occurrence-based commercial insurance coverage.

The Corporation maintains a stop-loss policy on workers' compensation claims. The Corporation is insured for individual claims exceeding \$350. Effective July 15, 2011, the Maryland Workers' Compensation Commission approved an increase in the retention amount for LifeBridge from \$350 to \$600.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

On August 2, 2010, a construction contract was entered into for the expansion and renovation for an inpatient pediatric unit and related space at Sinai. The guaranteed maximum price for this construction project totals \$18,870, subject to revisions due to project modifications. At June 30, 2011, approximately \$10,595 remains outstanding under this commitment.

On February 18, 2010, the Corporation entered into a construction contract for the expansion and renovation of operating rooms and support departments on Sinai's fourth floor. The guaranteed maximum price for this construction project totals \$4,867, subject to revisions due to project modifications. At June 30, 2011, approximately \$1,059 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 \$22,564 subject to revisions due to project modifications. Approximately \$8,375 remains outstanding at June 30, 2011.

(d) Operating Leases

The Corporation has entered into operating lease agreements for hospital equipment and office space, which expire on various dates through year 2016. Total rental expense for the years ended June 30, 2011 and 2010 for all operating leases was approximately \$13,427 and \$13,337, respectively. Future minimum lease payments under all noncancelable operating leases are as follows:

Year ending June 30:		
2012	\$	12,250
2013		11,416
2014		11,146
2015		10,801
2016		10,801
Thereafter		10,696
	\$	<u>67,110</u>

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

(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 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:

	<u>LifeBridge Health, Inc.</u>	<u>Noncontrolling interest</u>	<u>Unrestricted net assets</u>
Balance at June 30, 2010	\$ 371,514	—	371,514
Operating income	21,666	(600)	21,066
Nonoperating income	<u>42,812</u>	<u>—</u>	<u>42,812</u>
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	<u>(528)</u>	<u>528</u>	<u>—</u>
Change in net assets	<u>81,198</u>	<u>(72)</u>	<u>81,126</u>
Balance at June 30, 2011	\$ <u>452,712</u>	<u>(72)</u>	<u>452,640</u>

(18) Functional Expenses

The Corporation provides general healthcare services to patients. Expenses for the years ended June 30, 2011 and 2010 related to providing these services are as follows:

	<u>2011</u>	<u>2010</u>
Healthcare services	\$ 748,131	751,056
General and administrative	<u>221,249</u>	<u>209,045</u>
	\$ <u>969,380</u>	<u>960,101</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

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

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 \$251,946 and \$286,181 at June 30, 2011 and 2010, respectively. The fair market value of the fixed rate Series 2011 MHHEFA Bonds was \$52,496 as of June 30, 2011. 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.

(c) *Fair Value Hierarchy*

The Corporation adopted ASC Topic 820, *Fair Value Measurements and Disclosures*, on July 1, 2008 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. ASC Topic 820 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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	\$ 3,558	—	—	3,558
Money market	1,743	—	—	1,743
Equity securities and mutual funds	251,798	—	—	251,798
Real estate investment trust	—	5,558	—	5,558
Treasury securities	18,636	—	—	18,636
Government securities	25,711	—	—	25,711
Corporate obligations	—	29,739	—	29,739
Total assets	<u>\$ 301,446</u>	<u>35,297</u>	<u>—</u>	<u>336,743</u>

The following table presents assets that are measured at fair value on a recurring basis as of June 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 17,970	—	—	17,970
Money market	2,654	—	—	2,654
Equity securities and mutual funds	194,414	—	—	194,414
Real estate investment trust	—	2,027	—	2,027
Treasury securities	14,491	—	—	14,491
Government securities	1,877	—	—	1,877
Corporate obligations	—	28,786	—	28,786
Total assets	<u>\$ 231,406</u>	<u>30,813</u>	<u>—</u>	<u>262,219</u>

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Dollars in thousands)

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	\$ 1,556	—	—	1,556
Fixed income:				
Short/intermediate bonds	—	15,221	—	15,221
Global fixed income	—	5,560	—	5,560
Convertible bonds	—	5,453	—	5,453
Equities:				
Large cap value	21,212	—	—	21,212
International equity	13,415	—	—	13,415
Large cap growth	13,043	—	—	13,043
Large cap core	10,867	—	—	10,867
Alternatives:				
Hedge funds	—	—	13,108	13,108
Commodities	—	—	5,640	5,640
Total assets	\$ 60,093	26,234	18,748	105,075

The fair values of pension plan assets held by PNC Institutional Investments by level at June 30, 2010 were as follows:

	Pension benefits – Plan assets			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 1,999	—	—	1,999
Fixed income:				
Short/intermediate bonds	—	13,555	—	13,555
Global fixed income	—	4,814	—	4,814
Convertible bonds	—	4,033	—	4,033
Equities:				
Large cap value	15,737	—	—	15,737
International equity	9,841	—	—	9,841
Large cap growth	8,735	—	—	8,735
Large cap core	7,602	—	—	7,602
Alternatives:				
Hedge funds	—	—	10,230	10,230
Commodities	—	—	4,293	4,293
Total assets	\$ 43,914	22,402	14,523	80,839

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30, 2011

(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	\$ 72,833	41,867	9,920	1,055	12,483	—	138,158
Donor restricted investments	15,905	268	1,005	—	—	—	17,178
Assets limited as to use, current portion	27,221	7,265	185	—	—	—	34,671
Patient service receivables, net of allowance for doubtful accounts of \$23,191 in 2011	75,388	27,715	7,500	1,740	2,056	—	114,399
Other receivables	15,034	776	337	40	13,766	(24,853)	5,100
Inventory	18,342	2,974	13	4	29	—	21,362
Prepaid expenses	3,576	501	133	13	6,382	—	10,605
Pledges receivable, current portion	2,265	401	1,415	—	—	—	4,081
Total current assets	230,564	81,767	20,508	2,852	34,716	(24,853)	345,554
Long-term investments	127,216	72,105	24,799	—	65,080	—	289,200
Assets limited as to use, net of current portion	6,027	1,658	—	—	38,776	—	46,461
Pledges receivable, net of current portion	5,657	669	2,737	—	—	—	9,063
Property and equipment, net	256,740	110,395	35,612	4,231	33,812	—	440,790
Deferred financing costs, net of accumulated amortization of \$275	1,907	614	157	—	—	—	2,678
Beneficial interest in split interest agreement	3,998	—	—	—	—	—	3,998
Investment in unconsolidated affiliates	—	—	—	—	119,007	(116,703)	2,304
Other assets, net of accumulated amortization of \$1,062	4,622	561	257	—	3,128	—	8,568
Total assets	\$ 636,731	267,769	84,070	7,083	294,519	(141,556)	1,148,616

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidating Balance Sheet Information

June 30, 2011

(Dollars in thousands)

	Sinai Hospital Consolidated	Northwest Hospital	Levindale Hebrew Geriatric Ctr & Hospital	Courtland Gardens	Other LifeBridge Entities	Eliminations	LifeBridge Health Consolidated
Liabilities and Net Assets							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 59,222	24,237	8,774	564	16,006	(24,853)	83,950
Accrued salaries, wages, and benefits	35,787	9,073	2,833	428	9,478	—	57,599
Advances from third-party payors	27,514	5,616	3,112	75	—	—	36,317
Current portion of long-term debt and capital lease obligations	2,776	793	23	—	1,643	—	5,235
Other current liabilities	319	220	13	—	394	—	946
Total current liabilities	125,618	39,939	14,755	1,067	27,521	(24,853)	184,047
Other long term liabilities	35,965	11,292	7,213	34	44,597	—	99,101
Long-term debt and capital lease obligations, net of current portion	239,786	80,270	10,046	—	11,262	—	341,364
Total liabilities	401,369	131,501	32,014	1,101	83,380	(24,853)	624,512
Net assets:							
Unrestricted	179,547	133,018	46,895	5,982	203,973	(116,703)	452,712
Unrestricted net assets	—	—	—	—	(72)	—	(72)
Noncontrolling interest in consolidated subsidiaries	179,547	133,018	46,895	5,982	203,901	(116,703)	452,640
Total unrestricted net assets	45,317	3,250	5,161	—	3,015	—	56,743
Temporarily restricted	10,498	—	—	—	4,223	—	14,721
Permanently restricted	235,362	136,268	52,056	5,982	211,139	(116,703)	524,104
Total liabilities and net assets	\$ 636,731	267,769	84,070	7,083	294,519	(141,556)	1,148,616

See accompanying independent auditors' report.

LIFEBRIDGE HEALTH, INC. AND SUBSIDIARIES

Consolidating Statement of Operations Information

Year ended June 30, 2011

(Dollars in thousands)

	Sinai Hospital Consolidated	Northwest Hospital	Levindale Hebrew Geriatric Ctr & Hospital	Courtland Gardens	Other LifeBridge Entities	Eliminations	LifeBridge Health Consolidated
Unrestricted revenues, gains and other support:							
Net patient service revenue	\$ 640,672	213,853	69,659	14,554	16,023	—	954,761
Net assets released from restrictions used for operations	3,342	—	21	—	317	—	3,680
Other operating revenue	30,941	1,313	1,823	84	44,520	(46,676)	32,005
Total operating revenues	674,955	215,166	71,503	14,638	60,860	(46,676)	990,446
Expenses:							
Salaries and employee benefits	339,791	108,530	45,876	8,707	27,344	55	530,303
Supplies and drugs	113,483	31,471	9,778	949	2,529	—	158,210
Purchased services	121,136	32,332	13,645	2,902	27,857	(46,731)	151,141
Depreciation, amortization and gain/loss on sale of assets	30,278	9,932	2,374	535	11,668	—	54,787
Repairs and maintenance	11,612	3,642	1,138	109	500	—	17,001
Provision for bad debts	24,499	14,506	1,161	723	1,020	—	41,909
Interest	10,514	3,595	118	—	1,802	—	16,029
Total expenses	651,313	204,008	74,090	13,925	72,720	(46,676)	969,380
Operating income (loss)	23,642	11,158	(2,587)	713	(11,860)	—	21,066
Other income, net:							
Investment income	8,944	5,798	1,610	—	2,519	—	18,871
Unrealized gains on trading investments	11,622	6,896	2,285	—	2,048	—	22,851
Earnings on equity investments	—	—	—	—	1,090	—	1,090
Total other income, net	20,566	12,694	3,895	—	5,657	—	42,812
Excess (deficiency) of revenues over expenses	\$ 44,208	23,852	1,308	713	(6,203)	—	63,878

See accompanying independent auditors' report.