

Form **990**

Return of Organization Exempt From Income Tax

2012

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2012 calendar year, or tax year beginning **JUL 1, 2012** and ending **JUN 30, 2013**

| | | | |
|---|---|--------------------------------------|---|
| 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 BROOK LANE HEALTH SERVICES, INC. | | D Employer identification number 52-0698850 |
| | Doing Business As | | E Telephone number (301) 733-0330 |
| | Number and street (or P.O. box if mail is not delivered to street address) | Room/suite | G Gross receipts \$ 23,792,496. |
| | 13218 BROOK LANE DRIVE | | H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| | City, town, or post office, state, and ZIP code HAGERSTOWN, MD 21742-1945 | | H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) |
| F Name and address of principal officer: FLOYD E. KLAUKA, JR. 14218 BROOK LANE DRIVE, HAGERSTOWN, MD 2174 | | H(c) Group exemption number ▶ | |
| 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 | | | |
| J Website: ▶ HTTP://WWW.BROOKLANE.ORG/ | | | |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | | L Year of formation: 1949 |
| | | | M State of legal domicile: MD |

Part I Summary

| | |
|------------------------------------|--|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: OUR MISSION IS TO HELP INDIVIDUALS IMPROVE THEIR EMOTIONAL AND BEHAVIORAL WELL BEING |
| | 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 13 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 13 |
| | 5 Total number of individuals employed in calendar year 2012 (Part V, line 2a) 5 463 |
| | 6 Total number of volunteers (estimate if necessary) 6 0 |
| | 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0. |
| | b Net unrelated business taxable income from Form 990-T, line 34 7b 0. |

| Revenue | | Prior Year | Current Year |
|---|--|--|--------------------|
| | | 8 Contributions and grants (Part VIII, line 1h) 8 75,625. | 14,453. |
| 9 Program service revenue (Part VIII, line 2g) 9 21,300,355. | 22,817,975. | | |
| 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 10 15,474. | 65,395. | | |
| 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 11 821,385. | 18,217. | | |
| 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 12 22,212,839. | 22,916,040. | | |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 13 0. | 0. | |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) 14 0. | 0. | |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 15 15,490,983. | 17,051,929. | |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) 16a 0. | 0. | |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 93,909. | | |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 17 5,269,257. | 5,359,580. | |
| | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 18 20,760,240. | 22,411,509. | |
| 19 Revenue less expenses. Subtract line 18 from line 12 19 1,452,599. | 504,531. | | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) 20 14,599,993. | Beginning of Current Year | End of Year |
| | 21 Total liabilities (Part X, line 26) 21 5,466,336. | 14,517,509. | 5,346,681. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 22 9,133,657. | 9,170,828. | |

Part II Signature Block

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

| | | | | | |
|-------------------------------|---|---------------------------------|------|---|--------------------------|
| Sign Here | Signature of officer | Date | | | |
| | FLOYD E. KLAUKA, JR., CHIEF FINANCIAL OFFICER | | | | |
| Paid Preparer Use Only | Print/Type preparer's name GREGORY P. HALL, CPA | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | PTIN P00156653 |
| | Firm's name ▶ SMITH ELLIOTT KEARNS & COMPANY, LLC | Firm's EIN ▶ 52-0783935 | | | |
| | Firm's address ▶ 804 WAYNE AVENUE CHAMBERSBURG, PA 17201 | Phone no. (717) 263-3910 | | | |

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: OUR MISSION IS TO HELP INDIVIDUALS IMPROVE THEIR EMOTIONAL AND BEHAVIORAL WELL BEING THROUGH EDUCATION AND TREATMENT. OUR VISION IS A HEALTHIER COMMUNITY STRENGTHENED BY COMPREHENSIVE BEHAVIORAL HEALTH SERVICES.

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$ 10,597,717. including grants of \$) (Revenue \$ 8,629,742.)

INPATIENT SERVICES: INPATIENT SERVICES IS OUR MOST INTENSIVE LEVEL OF CARE OFFERING CRISIS STABILIZATION IN A SAFE AND THERAPEUTIC ENVIRONMENT FOR CHILDREN, ADOLESCENTS AND ADULTS. AVERAGE LENGTH OF STAY IS 7-8 DAYS, DURING WHICH TIME ROUND-THE-CLOCK NURSING CARE AND INTENSIVE CLINICAL INTERVENTIONS FROM MULTI-DISCIPLINARY TREATMENT TEAMS ARE PROVIDED.

4b (Code:) (Expenses \$ 3,454,632. including grants of \$) (Revenue \$ 8,333,628.)

OUTPATIENT SERVICES: SERVICES INCLUDE PSYCHIATRIC EVALUATIONS, INDIVIDUAL THERAPY, MARITAL THERAPY, FAMILY THERAPY, ADDICTIONS COUNSELING, TREATMENT WITH MEDICATION MANAGEMENT AND PARTIAL HOSPITALIZATION SERVICES. OUR TREATMENT STAFF INCLUDES PSYCHIATRISTS, PSYCHOLOGISTS, NURSE PRACTITIONERS, LICENSED SOCIAL WORKERS, LICENSED PROFESSIONAL COUNSELORS, NURSES AND MENTAL HEALTH STAFF.

4c (Code:) (Expenses \$ 3,381,060. including grants of \$) (Revenue \$ 4,433,722.)

LAUREL HALL SPECIAL EDUCATION SCHOOL: A SPECIAL EDUCATION PROGRAM FOR ELEMENTARY THROUGH HIGH SCHOOL STUDENTS THAT PROVIDES A HIGH LEVEL OF CLASSROOM STRUCTURE AND AN ARRAY OF THERAPEUTIC TREATMENTS. STAFFED BY CERTIFIED SPECIAL EDUCATION TEACHERS, BEHAVIORAL SPECIALISTS, CLINICAL SOCIAL WORKERS AND NURSES. LAUREL HALL ESTABLISHES A LEARNING ENVIRONMENT FOR STUDENTS WITH EMOTIONAL AND/OR BEHAVIORAL CHALLENGES.

4d Other program services (Describe in Schedule O.) (Expenses \$ 1,751,678. including grants of \$) (Revenue \$ 1,429,160.)

4e Total program service expenses 19,185,087.

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 <i>Schedule B, Schedule of Contributors</i> ? | | 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> | | X |
| 6 | Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <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, for escrow or custodial account liability; 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 temporarily restricted endowments, permanent endowments, 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 | |
| 12a | Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</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 and XII 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 |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| b | Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <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</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 |
| 20a | Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | X | |
| b | If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | X | |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|-----|----|
| 21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | | X |
| 22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | | X |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | X | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> | | X |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | X | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | X | |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | X | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? | X | |

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Input box for Schedule O response

Main table with columns for question number, description, sub-questions (1a-1b, 2a-2b, 3a-3b, 4a-4b, 5a-5c, 6a-6b, 7a-7d, 7e-7h, 8, 9a-9b, 10a-10b, 11a-11b, 12a-12b, 13a-13c, 14a-14b), Yes, and No. Includes values like 19, 0, 463, and various 'X' marks.

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

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (13), 1b (13), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (X), 10b, 11a (X), 11b, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MD
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: FLOYD E. KLAUKA JR. - 301-733-0330 13218 BROOK LANE DR, HAGERSTOWN, MD 21742

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

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

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

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

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

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

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) RAY GEIGLEY CHAIR | 0.50 | X | | X | | | | 0. | 0. | 0. |
| (2) LORRAINE EBY VICE-CHAIR | 0.50 | X | | X | | | | 0. | 0. | 0. |
| (3) MARJORIE POLING SECRETARY | 0.50 | X | | X | | | | 0. | 0. | 0. |
| (4) KENNETH GRABER TREASURER | 0.50 | X | | X | | | | 0. | 0. | 0. |
| (5) PATRICIA HURWITZ MEMBER | 0.50 | X | | | | | | 0. | 0. | 0. |
| (6) DAVID C. BAKER MEMBER | 0.50 | X | | | | | | 0. | 0. | 0. |
| (7) CLAIR BAKER MEMBER | 0.50 | X | | | | | | 0. | 0. | 0. |
| (8) RONALD D. BOWER MEMBER | 0.50 | X | | | | | | 0. | 0. | 0. |
| (9) ERIC HENDERSON MEMBER | 0.50 | X | | | | | | 0. | 0. | 0. |
| (10) DAVID L. WAMPLER MEMBER | 0.50 | X | | | | | | 0. | 0. | 0. |
| (11) ROBERT NITZELL MEMBER | 0.50 | X | | | | | | 0. | 0. | 0. |
| (12) ROGER D. ESHLEMAN MEMBER | 0.50 | X | | | | | | 0. | 0. | 0. |
| (13) JAMES E. BAKER MEMBER | 0.50 | X | | | | | | 0. | 0. | 0. |
| (14) RICHARD LYNN RUSHING CEO | 40.00 | | | X | | | | 156,345. | 0. | 19,881. |
| (15) FLOYD E. KLAUKA JR. CFO | 40.00 | | | X | | | | 112,836. | 0. | 7,300. |
| (16) DAVID GONZALEZ, MD. MEDICAL DIRECTOR | 20.00 | | | X | | | | 116,828. | 0. | 6,990. |
| (17) JOHN CARRILL M.D. | 40.00 | | | | X | | | 210,681. | 0. | 18,893. |

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) GUNVANT THACKER M.D. | 40.00 | | | | | X | | 171,019. | 0. | 5,230. |
| (19) ANGELA DUMITRACHE M.D. | 40.00 | | | | | X | | 229,349. | 0. | 9,623. |
| (20) OLGA DEMENI M.D. | 40.00 | | | | | X | | 231,976. | 0. | 16,553. |
| (21) JOHN BURKE CLINICAL DIRECTOR | 40.00 | | | | | X | | 203,308. | 0. | 18,881. |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| 1b Sub-total | | | | | | | | 1,432,342. | 0. | 103,351. |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) | | | | | | | | 1,432,342. | 0. | 103,351. |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **11**

| | Yes | No |
|---|-----|----|
| 3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> | | X |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> | X | |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> | | X |

Section B. Independent Contractors

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|---|--------------------------------|---------------------|
| ANTIETAM PEDIATRICS 1161 OMEGA DRIVE, HAGERSTOWN, MD 21740 | | 100,200. |
| | | |
| | | |
| | | |
| | | |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **1**

Part VIII Statement of Revenue

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

| | | (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 | 1 a Federated campaigns | 1a | | | | |
| | b Membership dues | 1b | | | | |
| | c Fundraising events | 1c | | | | |
| | d Related organizations | 1d | | | | |
| | e Government grants (contributions) | 1e | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f 14,453. | | | | |
| | g Noncash contributions included in lines 1a-1f: \$ | | | | | |
| | h Total. Add lines 1a-1f | | 14,453. | | | |
| Program Service Revenue | 2 a PATIENT SERVICES | Business Code 900099 | 16,955,093. | 16,955,093. | | |
| | b EDUCATIONAL SERVICES | 611110 | 4,184,849. | 4,184,849. | | |
| | c GROUP HOME REVENUE | 900099 | 1,429,160. | 1,429,160. | | |
| | d OTHER OPERATING REVENUE | 900099 | 248,873. | 248,873. | | |
| | e | | | | | |
| | f All other program service revenue | | | | | |
| | g Total. Add lines 2a-2f | | 22,817,975. | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | 38,589. | | 38,589. | |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | |
| | 5 Royalties | | | | | |
| | 6 a Gross rents | (i) Real | 9,940. | | | |
| | | (ii) Personal | 0. | | | |
| | | b Less: rental expenses | | | | |
| | | c Rental income or (loss) | 9,940. | | | |
| | d Net rental income or (loss) | | 9,940. | | 9,940. | |
| | 7 a Gross amount from sales of assets other than inventory | (i) Securities | 903,262. | | | |
| | | (ii) Other | | | | |
| | | b Less: cost or other basis and sales expenses | 876,456. | | | |
| | | c Gain or (loss) | 26,806. | | | |
| d Net gain or (loss) | | 26,806. | | 26,806. | | |
| 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | | |
| | b Less: direct expenses | | | | | |
| | c Net income or (loss) from fundraising events | | | | | |
| 9 a Gross income from gaming activities. See Part IV, line 19 | a | | | | | |
| | b Less: direct expenses | | | | | |
| | c Net income or (loss) from gaming activities | | | | | |
| 10 a Gross sales of inventory, less returns and allowances | a | | | | | |
| | b Less: cost of goods sold | | | | | |
| | c Net income or (loss) from sales of inventory | | | | | |
| Miscellaneous Revenue | | Business Code | | | | |
| 11 a HEALTH INSURANCE SETTLEMENT | 900099 | 8,277. | 8,277. | | | |
| | b | | | | | |
| | c | | | | | |
| | d All other revenue | | | | | |
| | e Total. Add lines 11a-11d | | 8,277. | | | |
| 12 Total revenue. See instructions. | | 22,916,040. | 22,826,252. | 0. | 75,335. | |

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).

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to individuals in the United States. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 1,637,065. | 1,427,848. | 200,201. | 9,016. |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 12,183,450. | 10,626,405. | 1,489,948. | 67,097. |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 362,263. | 315,966. | 44,302. | 1,995. |
| 9 Other employee benefits | 1,823,253. | 1,590,241. | 222,971. | 10,041. |
| 10 Payroll taxes | 1,045,898. | 912,232. | 127,906. | 5,760. |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | 2,000. | | 2,000. | |
| c Accounting | 54,000. | | 54,000. | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | | | | |
| 12 Advertising and promotion | 42,273. | 668. | 41,605. | |
| 13 Office expenses | | | | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 1,036,683. | 1,003,761. | 32,922. | |
| 17 Travel | 41,815. | 26,881. | 14,934. | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | 107,585. | 105,433. | 2,152. | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 538,211. | 462,861. | 75,350. | |
| 23 Insurance | 215,057. | | 215,057. | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a SUPPLIES | 1,195,082. | 1,148,717. | 46,365. | |
| b MEDICAL EXPENSES | 763,342. | 647,329. | 116,013. | |
| c EQUIPMENT | 391,800. | 301,736. | 90,064. | |
| d TRAINING | 353,133. | 331,447. | 21,686. | |
| e All other expenses | 618,599. | 283,562. | 335,037. | |
| 25 Total functional expenses. Add lines 1 through 24e | 22,411,509. | 19,185,087. | 3,132,513. | 93,909. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

| | | (A) Beginning of year | | (B) End of year | |
|---|--|--------------------------|-------------|--------------------|------------|
| Assets | 1 Cash - non-interest-bearing | 3,180. | 1 | 3,380. | |
| | 2 Savings and temporary cash investments | 2,094,595. | 2 | 1,410,711. | |
| | 3 Pledges and grants receivable, net | | 3 | | |
| | 4 Accounts receivable, net | 3,994,574. | 4 | 4,813,515. | |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | | |
| | 6 Loans and other 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 instr). Complete Part II of Sch L | | 6 | | |
| | 7 Notes and loans receivable, net | 22,127. | 7 | 10,429. | |
| | 8 Inventories for sale or use | 142,436. | 8 | 143,918. | |
| | 9 Prepaid expenses and deferred charges | 222,594. | 9 | 239,556. | |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 12,052,604. | | | |
| | b Less: accumulated depreciation | 10b 5,390,338. | 6,416,734. | 10c | 6,662,266. |
| | 11 Investments - publicly traded securities | | 11 | | |
| | 12 Investments - other securities. See Part IV, line 11 | 1,611,788. | 12 | 1,165,321. | |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | | |
| | 14 Intangible assets | | 14 | | |
| | 15 Other assets. See Part IV, line 11 | 91,965. | 15 | 68,413. | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 14,599,993. | 16 | 14,517,509. | | |
| Liabilities | 17 Accounts payable and accrued expenses | 1,766,219. | 17 | 1,929,326. | |
| | 18 Grants payable | | 18 | | |
| | 19 Deferred revenue | | 19 | | |
| | 20 Tax-exempt bond liabilities | 3,700,117. | 20 | 3,417,355. | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | | |
| | 22 Loans and other 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 (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | | 25 | | |
| | 26 Total liabilities. Add lines 17 through 25 | 5,466,336. | 26 | 5,346,681. | |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | |
| | 27 Unrestricted net assets | 8,745,009. | 27 | 9,170,828. | |
| | 28 Temporarily restricted net assets | 388,648. | 28 | 0. | |
| | 29 Permanently restricted net assets | | 29 | | |
| | Organizations that do not follow SFAS 117 (ASC 958), 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 | 9,133,657. | 33 | 9,170,828. | | |
| 34 Total liabilities and net assets/fund balances | 14,599,993. | 34 | 14,517,509. | | |

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 | 22,916,040. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 22,411,509. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 504,531. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 9,133,657. |
| 5 | Net unrealized gains (losses) on investments | 5 | -24,512. |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | -442,848. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 9,170,828. |

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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | X |
| 2b | Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited 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 | X | |
| 2c | If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O. | X | |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | | X |
| 3b | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits | | |

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization **BROOK LANE HEALTH SERVICES, INC.** Employer identification number **52-0698850**

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 - Non-functionally integrated
- 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?

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

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

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) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (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) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (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 2012 (line 6, column (f) divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2011 Schedule A, Part II, line 14 | 15 | % |
| 16a 33 1/3% support test - 2012. 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 - 2011. 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 - 2012. 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 - 2011. 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) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (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) 2008 | (b) 2009 | (c) 2010 | (d) 2011 | (e) 2012 | (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 2012 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2011 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|-----------|---|
| 17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2011 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2012. 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 - 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

BROOK LANE HEALTH SERVICES, INC.

Employer identification number

52-0698850

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Question number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

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

Form for Part II Conservation Easements, including questions 1-9 and a table for 'Held at the End of the Tax Year' with rows 2a-2d.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets, including questions 1a-2b.

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 XIII.
- 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 XIII 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 XIII. Check here if the explanation has been provided in Part XIII

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

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

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Temporarily restricted endowment _____ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|--------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |

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

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 22,273. | | 22,273. |
| b Buildings | | 412,256. | | 412,256. |
| c Leasehold improvements | | | | |
| d Equipment | | 1,950,336. | 1,189,434. | 760,902. |
| e Other | | 9,667,739. | 4,200,904. | 5,466,835. |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 6,662,266. |

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) MONEY MARKET ACCOUNT | 504,127. | END-OF-YEAR MARKET VALUE |
| (B) UNEMPLOYMENT FUND CD | 191,513. | END-OF-YEAR MARKET VALUE |
| (C) CERTIFICATES OF DEPOSIT | 469,681. | END-OF-YEAR MARKET VALUE |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| (I) | | |
| Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶ | 1,165,321. | |

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. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶ | | |

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

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

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

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

2. FIN 48 (ASC 740) Footnote. In Part XIII, 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). Check here if the text of the footnote has been provided in Part XIII

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

| | | | |
|----------|--|-----------|-------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 22,916,040. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains on investments | 2a | |
| b | Donated services and use of facilities | 2b | |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | 2e | 0. |
| 3 | Subtract line 2e from line 1 | 3 | 22,916,040. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | 0. |
| 5 | Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.) | 5 | 22,916,040. |

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

| | | | |
|----------|---|-----------|-------------|
| 1 | Total expenses and losses per audited financial statements | 1 | 22,411,509. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | 2e | 0. |
| 3 | Subtract line 2e from line 1 | 3 | 22,411,509. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | 0. |
| 5 | Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.) | 5 | 22,411,509. |

Part XIII Supplemental Information

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

PART X, LINE 2: THE ORGANIZATION FOLLOWS THE FASB ACCOUNTING STANDARDS

CODIFICATION, WHICH PROVIDES GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN

INCOME TAXES RECOGNIZED IN AN ORGANIZATION'S FINANCIAL STATEMENTS. THE

GUIDANCE PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR

THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION

TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN, AND ALSO PROVIDES GUIDANCE

ON DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN

INTERIM PERIODS, DISCLOSURE AND TRANSITION. AS OF JUNE 30, 2013 THE

Part XIII Supplemental Information *(continued)*

ORGANIZATION HAD NO UNCERTAIN TAX POSITIONS THAT QUALIFY FOR EITHER RECOGNITION OR DISCLOSURE IN THE ORGANIZATION'S FINANCIAL STATEMENTS. THE ORGANIZATION'S POLICY IS TO RECOGNIZE INTEREST AND PENALTIES ON UNRECOGNIZED TAX BENEFITS IN INCOME TAX EXPENSE IN THE FINANCIAL STATEMENTS. NO INTEREST AND PENALTIES WERE RECORDED DURING THE YEARS ENDED JUNE 30, 2013 AND 2012. GENERALLY, THE TAX YEARS BEFORE 2009 ARE NO LONGER SUBJECT TO EXAMINATION BY FEDERAL, STATE OR LOCAL TAXING AUTHORITIES.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization **BROOK LANE HEALTH SERVICES, INC.** Employer identification number **52-0698850**

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 | <input checked="" type="checkbox"/> | |
| b If "Yes," was it a written policy? | <input checked="" type="checkbox"/> | |
| 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) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % | <input checked="" type="checkbox"/> | |
| b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>150</u> % | <input checked="" type="checkbox"/> | |
| c If the organization used factors other than FPG in determining 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, as a factor in determining 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"? | <input checked="" type="checkbox"/> | |
| 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? | <input checked="" type="checkbox"/> | |
| b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? | <input checked="" type="checkbox"/> | |
| c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? | | <input checked="" type="checkbox"/> |
| 6a Did the organization prepare a community benefit report during the tax year? | <input checked="" type="checkbox"/> | |
| b If "Yes," did the organization make it available to the public? | <input checked="" type="checkbox"/> | |

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

| 7 Financial Assistance and Certain Other Community Benefits at Cost | | | | | | |
|--|--|--------------------------------------|--|--------------------------------------|--|-------------------------------------|
| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
| a Financial Assistance at cost (from Worksheet 1) | 3 | 230 | 378,187. | | 378,187. | 1.71% |
| b Medicaid (from Worksheet 3, column a) | 3 | 789 | 1,650,675. | | 1,650,675. | 7.46% |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | 3 | 842 | 810,647. | | 810,647. | 3.66% |
| d Total Financial Assistance and Means-Tested Government Programs | 9 | 1,861 | 2,839,509. | | 2,839,509. | 12.83% |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | 54 | 3,257 | 25,734. | | 25,734. | .12% |
| f Health professions education (from Worksheet 5) | 21 | 1,179 | 26,077. | 26,077. | | |
| g Subsidized health services (from Worksheet 6) | | | | | | |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | 18 | | 6,508. | | 6,508. | .03% |
| j Total. Other Benefits | 93 | 4,436 | 58,319. | 26,077. | 32,242. | .15% |
| k Total. Add lines 7d and 7j | 102 | 6,297 | 2,897,828. | 26,077. | 2,871,751. | 12.98% |

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.

Table with 7 columns: (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. Rows include Physical improvements and housing, Economic development, Community support, Environmental improvements, Leadership development and training for community members, Coalition building, Community health improvement advocacy, Workforce development, Other, and Total.

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense: Questions 1-4 regarding bad debt reporting and amounts. Section B. Medicare: Questions 5-8 regarding Medicare revenue and costs. Section C. Collection Practices: Questions 9a-9b regarding debt collection policies. Includes checkboxes for cost accounting system, cost to charge ratio, and other methods.

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

Table with 5 columns: (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 %.

Part V Facility Information

Section A. Hospital Facilities

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

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

Name, address, and primary website address

1 BROOK LANE HEALTH SERVICES, INC. LEITERSBURG - SMITHSBURG ROAD HAGERSTOWN, MD 21742

Table with columns: Licensed hospital, General medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1 contains 'X' in the 'Licensed hospital' column.

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group BROOK LANE HEALTH SERVICES, INC.

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1

| | | Yes | No |
|--|--|-----|----|
| Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012) | | | |
| 1 | During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 | X | |
| If "Yes," indicate what the CHNA report describes (check all that apply): | | | |
| a | <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b | <input checked="" type="checkbox"/> Demographics of the community | | |
| c | <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d | <input checked="" type="checkbox"/> How data was obtained | | |
| e | <input checked="" type="checkbox"/> The health needs of the community | | |
| f | <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g | <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h | <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i | <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs | | |
| j | <input type="checkbox"/> Other (describe in Part VI) | | |
| 2 | Indicate the tax year the hospital facility last conducted a CHNA: <u>20 12</u> | | |
| 3 | In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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 | X | |
| 4 | Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI | X | |
| 5 | Did the hospital facility make its CHNA report widely available to the public? | X | |
| If "Yes," indicate how the CHNA report was made widely available (check all that apply): | | | |
| a | <input type="checkbox"/> Hospital facility's website | | |
| b | <input checked="" type="checkbox"/> Available upon request from the hospital facility | | |
| c | <input type="checkbox"/> Other (describe in Part VI) | | |
| 6 | If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date): | | |
| a | <input type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA | | |
| b | <input type="checkbox"/> Execution of the implementation strategy | | |
| c | <input type="checkbox"/> Participation in the development of a community-wide plan | | |
| d | <input type="checkbox"/> Participation in the execution of a community-wide 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 CHNA | | |
| g | <input checked="" 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 CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs | | X |
| 8a | Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | | X |
| 8b | If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? | | |
| c | If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ <u> </u> | | |

Part V Facility Information (continued) **BROOK LANE HEALTH SERVICES, INC.**

| Financial Assistance Policy | | Yes | No |
|---|---|-----|----|
| Did the hospital facility have in place during the tax year a written financial assistance policy that: | | | |
| 9 | Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | X | |
| 10 | Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? | X | |
| | If "Yes," indicate the FPG family income limit for eligibility for free care: <u>200</u> % | | |
| | If "No," explain in Part VI the criteria the hospital facility used. | | |
| 11 | Used FPG to determine eligibility for providing <i>discounted</i> care? | X | |
| | If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>200</u> % | | |
| | If "No," explain in Part VI the criteria the hospital facility used. | | |
| 12 | Explained the basis for calculating amounts charged to patients? | X | |
| | If "Yes," indicate the factors used in determining such amounts (check all that apply): | | |
| a | <input checked="" type="checkbox"/> Income level | | |
| b | <input checked="" type="checkbox"/> Asset level | | |
| c | <input checked="" type="checkbox"/> Medical indigency | | |
| d | <input checked="" type="checkbox"/> Insurance status | | |
| e | <input checked="" type="checkbox"/> Uninsured discount | | |
| f | <input checked="" type="checkbox"/> Medicaid/Medicare | | |
| g | <input checked="" type="checkbox"/> State regulation | | |
| h | <input type="checkbox"/> Other (describe in Part VI) | | |
| 13 | Explained the method for applying for financial assistance? | X | |
| 14 | Included measures to publicize the policy within the community served by the hospital facility? | X | |
| | If "Yes," indicate how the hospital facility publicized the policy (check all that apply): | | |
| a | <input type="checkbox"/> The policy was posted on the hospital facility's website | | |
| b | <input checked="" type="checkbox"/> The policy was attached to billing invoices | | |
| c | <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms | | |
| d | <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices | | |
| e | <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility | | |
| f | <input checked="" type="checkbox"/> The policy was available on request | | |
| g | <input type="checkbox"/> Other (describe in Part VI) | | |
| Billing and Collections | | | |
| 15 | Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? | X | |
| 16 | Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP: | | |
| a | <input checked="" type="checkbox"/> Reporting to credit agency | | |
| b | <input type="checkbox"/> Lawsuits | | |
| c | <input type="checkbox"/> Liens on residences | | |
| d | <input type="checkbox"/> Body attachments | | |
| e | <input type="checkbox"/> Other similar actions (describe in Part VI) | | |
| 17 | Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? | X | |
| | If "Yes," check all actions in which the hospital facility or a third party engaged: | | |
| a | <input checked="" type="checkbox"/> Reporting to credit agency | | |
| b | <input type="checkbox"/> Lawsuits | | |
| c | <input type="checkbox"/> Liens on residences | | |
| d | <input type="checkbox"/> Body attachments | | |
| e | <input type="checkbox"/> Other similar actions (describe in Part VI) | | |

Part V Facility Information (continued) **BROOK LANE HEALTH SERVICES, INC.**

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):
- a Notified individuals of the financial assistance policy on admission
 - b Notified individuals of the financial assistance policy prior to discharge
 - c Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
 - d Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
 - e Other (describe in Part VI)

Policy Relating to Emergency Medical Care

19 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?

| | Yes | No |
|-----------|-------------------------------------|----|
| 19 | <input checked="" type="checkbox"/> | |
| | | |

If "No," indicate why:

- a The hospital facility did not provide care for any emergency medical conditions
- b The hospital facility's policy was not in writing
- c The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d Other (describe in Part VI)

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any of its FAP-eligible individuals, 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 | | <input checked="" type="checkbox"/> |
| | | |
| 22 | <input checked="" type="checkbox"/> | |

22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Part VI.

Part V Facility Information *(continued)***Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

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

How many non-hospital health care facilities did the organization operate during the tax year? 4

| Name and address | Type of Facility (describe) |
|--|---|
| 1 NORTH VILLAGE OUTPATIENT OFFICE 18714 NORTH VILLAGE SHOPPING CENTER HAGERSTOWN, MD 21742 | OUTPATIENT SERVICES PROVIDED |
| 2 LAUREL HALL SCHOOL 4540B MACK AVENUE FREDERICK, MD 21703 | EDUCATIONAL SERVICES/TYPE 1 SCHOOLING |
| 3 FREDERICK OUTPATIENT SERVICES 5301 BUCKEYSTOWN PIKE, SUITE 170 FREDERICK, MD 21703 | OUTPATIENT SERVICES PROVIDED |
| 4 FREDERICK PARTIAL HOSP. PROGRAM 4540A MACK AVENUE FREDERICK, MD 21703 | PARTIAL HOSPITALIZATION - CHILD AND ADOLESCENT |
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Schedule H (Form 990) 2012

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; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.
- 8 Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

PART I, LINE 7: THE COST OF CHARITY CARE IS BASED ON A RATIO OF COSTS TO REVENUE(CHARGES).

PART I, LN 7 COL(F): BAD DEBT EXPENSE REPORTED AT COST IS BASED ON A RATIO OF COSTS TO CHARGES(REVENUE).

PART II: THE ORGANIZATION PROVIDES EDUCATION PROGRAMS FOR THE COMMUNITY. DURING THE FISCAL YEAR ENDING JUNE 30, 2013, THE ORGANIZATION PROVIDED 8 COMMUNITY PROGRAMS ON MENTAL HEALTH TOPICS. THE ORGANIZATION WAS A HOST SPONSOR FOR A TWO DAY TRAINING EVENT FOR MENTAL HEALTH FIRST AID FOR NON-PROFESSIONAL COMMUNITY MEMBERS.

PART III, LINE 4: BROOK LANE PROVIDES CREDIT IN THE NORMAL COURSE OF ITS BUSINESS TO PATIENTS. PATIENT RECEIVABLES ARE GENERALLY DUE 90 DAYS AFTER BILLED. AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IS CARRIED FOR PATIENT ACCOUNTS THAT MAY BECOME UNCOLLECTIBLE IN FUTURE PERIODS. THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IS BASED ON MANAGEMENT'S JUDGMENT OF UNCOLLECTIBLE ACCOUNTS, HISTORICAL TRENDS, AND OTHER INFORMATION. PATIENT RECEIVABLES

Part VI Supplemental Information

ARE CHARGED OFF AGAINST THE ALLOWANCE WHEN, IN THE JUDGMENT OF MANAGEMENT, IT IS UNLIKELY THEY WILL BE COLLECTED.

BAD DEBT AT COSTS IS DETERMINED BASED ON RATIO OF COSTS TO CHARGES.

PART III, LINE 8: THE MEDICARE COSTS IS DETERMINED USING AN OVERALL COST TO CHARGE RATIO.

BROOK LANE HEALTH SERVICES, INC.:

PART V, SECTION B, LINE 3: BETWEEN JULY 20 AND SEPTEMBER 30, 2012, 819 RESIDENTS OF WASHINGTON COUNTY MARYLAND PARTICIPATED IN A NEEDS SURVEY WHICH COVERED BEHAVIORAL RISK FACTORS AND AN ADDITIONAL SAMPLE TO REACH UNREPRESENTED INDIVIDUALS IN THE COMMUNITY. MANAGEMENT STAFF OF THE LOCAL ACCUTE CARE HOSPITAL PARTICIPATED IN A FOCUS GROUP PROCESS. THERE WERE ALSO 27 FOCUSED HISPANIC INTERVIEWS CONDUCTED AT THE HISPANIC FESTIVAL ON SEPTEMBER 16, 2012.

BROOK LANE HEALTH SERVICES, INC.:

PART V, SECTION B, LINE 4: MERITUS HEALTH, WASHINGTON COUNTY HEALTH DEPARTMENT.

BROOK LANE HEALTH SERVICES, INC.:

PART V, SECTION B, LINE 7: THE FACILITY COMPLETED THE NEEDS ASSESSEMENT DURING THE MOST RECENTLY COMPLETED FISCAL YEAR. THE ORGANIZATION IS CURRENTLY IN THE PROCESS OF DETERMINING HOW TO EFFECTIVELY ADDRESS THE ISSUES IDENTIFIED.

Part VI Supplemental Information

BROOK LANE HEALTH SERVICES, INC.:

PART V, SECTION B, LINE 20D: THE FACILITY IS REGULATED BY THE HEALTH SERVICES COST REVIEW COMMISSION WHICH SETS THE RATES CHARGED BY THE FACILITY.

BROOK LANE HEALTH SERVICES, INC.:

PART V, SECTION B, LINE 22: THE HEALTH SERVICES COST REVIEW COMMISSION SETS THE RATE THE FACILITY CAN CHARGE.

PART VI, LINE 2: THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITY THROUGH FOCUS GROUPS AND INTERACTION WITH OTHER PROVIDERS AND HEALTH CARE ORGANIZATIONS TO DETERMINE THE HEALTH CARE NEEDS OF THE COMMUNITY.

PART VI, LINE 3: PATIENTS ARE PROVIDED INFORMATION WHEN THEY REGISTER FOR SERVICE. PATIENTS ARE PROVIDED "THE PATIENT BILL OF RIGHTS" AND "ASSISTANCE PROGRAMS-FINANCIAL AID". THESE FORMS DESCRIBE THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY, A DESCRIPTION OF THE PATIENT'S RIGHTS AND OBLIGATIONS WITH REGARD TO HOSPITAL BILLING AND COLLECTION, AND VARIOUS OTHER ITEMS IN REGARDS TO FINANCIAL AID AND PATIENT RIGHTS.

PART VI, LINE 4: THE ORGANIZATION SERVES THE GREATER TRI-STATE AREA OF MARYLAND, THE PANHANDLE OF WEST VIRGINIA AND CENTRAL PENNSYLVANIA. THIS AREA IS A RURAL AREA. WE PROVIDE SERVICES FOR ANY INDIVIDUAL WHO

Part VI Supplemental Information

REQUEST SERVICES FROM THE FACILITY.

PART VI, LINE 5: THE ORGANIZATION ALLOWS THE COMMUNITY TO USE ITS ATHLETIC FIELDS FOR SPORTING EVENTS. IN ADDITION, MEMBERS OF THE ORGANIZATION SERVE ON VARIOUS COMMUNITY BOARDS.

**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

2012

Open to Public Inspection

Name of the organization

BROOK LANE HEALTH SERVICES, INC.

Employer identification number

52-0698850

Part I Questions Regarding Compensation

| | Yes | No |
|--|-----------|----|
| 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"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <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 | 1b | |
| 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? | 2 | X |
| 3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <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? | 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 | |

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

Schedule J (Form 990) 2012

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported as deferred in prior Form 990 |
|-------------------------------------|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| (1) RICHARD LYNN RUSHING CEO | (i) | 156,345. | 0. | 0. | 6,450. | 13,431. | 176,226. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (2) JOHN CARRILL M.D. | (i) | 210,681. | 0. | 0. | 6,383. | 12,510. | 229,574. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (3) GUNVANT THACKER M.D. | (i) | 171,019. | 0. | 0. | 3,890. | 1,340. | 176,249. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (4) ANGELA DUMITRACHE M.D. | (i) | 229,349. | 0. | 0. | 8,283. | 1,340. | 238,972. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (5) OLGA DEMENI M.D. | (i) | 231,976. | 0. | 0. | 2,550. | 14,003. | 248,529. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (6) JOHN BURKE CLINICAL DIRECTOR | (i) | 203,308. | 0. | 0. | 6,300. | 12,581. | 222,189. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
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Part III Supplemental Information

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

PART I, LINE 3: THE EXECUTIVE COMPENSATION IS DETERMINED FROM
COMPENSATION STUDIES OF SIMILAR ORGANIZATIONS. THE COMPENSATION IS THEN
APPROVED BY THE BOARD OF DIRECTORS AS PART OF THE BUDGET PROCESS.

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

2012

Open to Public
Inspection

Name of the organization

BROOK LANE HEALTH SERVICES, INC.

Employer identification number

52-0698850

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

THROUGH EDUCATION AND TREATMENT. OUR VISION IS A HEALTHIER COMMUNITY
STRENGTHENED BY COMPREHENSIVE BEHAVIORAL HEALTH SERVICES.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

GROUP HOME SERVICES AND OTHER:

THESE LICENSED RESIDENTIAL PROGRAMS INCLUDE TREATMENT FOR CHILDREN AND
ADOLESCENTS WHO ARE IN CRISIS AND TEMPORARILY WITHOUT AN APPROPRIATE
PLACE TO STAY. WE PROVIDE HOUSING, EDUCATION, AND INTERVENTION TO
FACILITATE THE TRANSITION OF THE CHILD FROM ONE SETTING TO ANOTHER.
EXPENSES \$ 1,751,678. INCLUDING GRANTS OF \$ 0. REVENUE \$ 1,429,160.

FORM 990, PART VI, SECTION B, LINE 11: INFORMATION IN THIS FORM WAS
REVIEWED BY THE CHIEF FINANCIAL OFFICER PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C: CONFLICT OF INTEREST - IT IS
AGAINST BROOK LANE POLICY FOR ANY EMPLOYEE TO HAVE A CONFLICT OF INTEREST.
IF A CONFLICT EXISTS THE INCIDENT WILL BE INVESTIGATED.

FORM 990, PART VI, SECTION B, LINE 15: THE EXECUTIVE COMPENSATION IS
DETERMINED FROM COMPENSATION STUDIES OF SIMILAR ORGANIZATIONS. THE
COMPENSATION IS THEN APPROVED AS PART OF THE BUDGET PROCESS.

FORM 990, PART VI, SECTION C, LINE 19: INFORMATION IS MADE AVAILABLE UPON
REQUEST TO THE ORGANIZATION THROUGH THE OFFICE OF THE CHIEF FINANCIAL
OFFICER.

Name of the organization
BROOK LANE HEALTH SERVICES, INC.

Employer identification number
52-0698850

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

TRANSFER TO BROOK LANE FOUNDATION, INC. -442,848.

FORM 990, PART XI, LINE 2C: THE ORGANIZATION HAS NOT CHANGED ITS
OVERSIGHT PROCESS OR SELECTION PROCESS IN REGARDS TO AN AUDIT DURING
THE TAX YEAR ENDING JUNE 30, 2013.

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.

Name of the organization **BROOK LANE HEALTH SERVICES, INC.** Employer identification number **52-0698850**

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

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|--|---|---|-------------------------------|---|-------------------------------------|--|----|
| | | | | | | Yes | No |
| BROOK LANE FOUNDATION, INC. - 45-5489464 13218 BROOK LANE DRIVE HAGERSTOWN, MD 21742 | SUPPORT OF EDUCATIONAL AND CHARITABLE PURPOSES | MARYLAND | 501 (C) (3) | 509(A)(3) | BROOK LANE HEALTH SERVICES, INC. | X | |
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Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership | (i) Section 512(b)(13) controlled entity? | |
|--|-------------------------|---|-------------------------------------|--|---------------------------------|--|--------------------------------|---|----|
| | | | | | | | | Yes | No |
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Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

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

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?

| | Yes | No |
|---|-----|----|
| a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity | | X |
| b Gift, grant, or capital contribution to related organization(s) | X | |
| c Gift, grant, or capital contribution from related organization(s) | | X |
| d Loans or loan guarantees to or for related organization(s) | | X |
| e Loans or loan guarantees by related organization(s) | | X |
| f Dividends from related organization(s) | | X |
| g Sale of assets to related organization(s) | | X |
| h Purchase of assets from related organization(s) | | X |
| i Exchange of assets with related organization(s) | | X |
| j Lease of facilities, equipment, or other assets to related organization(s) | | X |
| k Lease of facilities, equipment, or other assets from related organization(s) | | X |
| l Performance of services or membership or fundraising solicitations for related organization(s) | X | |
| m Performance of services or membership or fundraising solicitations by related organization(s) | | X |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | | X |
| o Sharing of paid employees with related organization(s) | | X |
| p Reimbursement paid to related organization(s) for expenses | | X |
| q Reimbursement paid by related organization(s) for expenses | | X |
| r Other transfer of cash or property to related organization(s) | | X |
| s Other transfer of cash or property from related organization(s) | | X |

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

| (a) Name of other organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|---|-------------------------------|------------------------|--|
| (1) BROOK LANE HEALTH SERVICES, INC. | B | 442,848. | FAIR VALUE |
| (2) BROOK LANE HEALTH SERVICES, INC. | L | 11,105. | COST |
| (3) | | | |
| (4) | | | |
| (5) | | | |
| (6) | | | |

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

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

| (a) Name, address, and EIN of entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Predominant income (related, unrelated, excluded from tax under section 512-514) | (e) Are all partners sec. 501(c)(3) orgs.? | | (f) Share of total income | (g) Share of end-of-year assets | (h) Dispropor- tionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|--|-------------------------|--|--|--|----|------------------------------------|--|--|----|---|---|----|--------------------------------|
| | | | | Yes | No | | | Yes | No | | Yes | No | |
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232164
12-10-12

2012 DEPRECIATION AND AMORTIZATION REPORT

| Asset No. | Description | Date Acquired | Method | Life | Line No. | Unadjusted Cost Or Basis | Bus % Excl | * Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Current Year Deduction |
|-----------|--|---------------|--------|------|----------|--------------------------|------------|----------------------|------------------------|--------------------------|-----------------|------------------------|
| | BUILDINGS | | | | | | | | | | | |
| 5 | CONSTRUCTION IN PROGRESS | VARIABLE | SNC | .000 | | 412,256. | | | 412,256. | | | 0. |
| | * 990 PAGE 10 TOTAL BUILDINGS | | | | | 412,256. | | 0. | 412,256. | 0. | 0. | 0. |
| 3 | FIXED EQUIPMENT | VARIABLE | SSL | .000 | 16 | 922,509. | | | 922,509. | 510,129. | | 57,573. |
| 4 | MAJOR MOVEABLE EQUIPMENT | VARIABLE | SSL | .000 | 16 | 1,027,827. | | | 1,027,827. | 499,124. | | 122,608. |
| | * 990 PAGE 10 TOTAL MACHINERY & EQUIPM | | | | | 1,950,336. | | 0. | 1,950,336. | 1,009,253. | 0. | 180,181. |
| | LAND | | | | | | | | | | | |
| 6 | LAND | VARIABLE | SL | | | 22,273. | | | 22,273. | | | 0. |
| | * 990 PAGE 10 TOTAL LAND | | | | | 22,273. | | 0. | 22,273. | 0. | 0. | 0. |
| | OTHER | | | | | | | | | | | |
| 1 | LAND IMPROVEMENTS | VARIABLE | SSL | .000 | 16 | 546,616. | | | 546,616. | 377,061. | | 28,265. |
| 2 | BUILDINGS | VARIABLE | SSL | .000 | 16 | 9,121,123. | | | 9,121,123. | 3,465,813. | | 329,765. |
| | * 990 PAGE 10 TOTAL OTHER | | | | | 9,667,739. | | 0. | 9,667,739. | 3,842,874. | 0. | 358,030. |
| | * GRAND TOTAL 990 PAGE 10 DEPR | | | | | 12,052,604. | | 0. | 12,052,604. | 4,852,127. | 0. | 538,211. |

Application for Extension of Time To File an Exempt Organization Return

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

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

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 or other filer, see instructions. BROOK LANE HEALTH SERVICES, INC. | Employer identification number (EIN) or 52-0698850 |
| 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. 13218 BROOK LANE DRIVE | Social security number (SSN) |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. HAGERSTOWN, MD 21742-1945 | |

Enter the Return code for the return that this application is for (file a separate application for each return) 01

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|--------------------------|-------------|
| Form 990 or Form 990-EZ | 01 | Form 990-T (corporation) | 07 |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 4720 (individual) | 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 |

FLOYD E. KLAUKA JR.

- The books are in the care of ▶ 13218 BROOK LANE DR - HAGERSTOWN, MD 21742
 Telephone No. ▶ 301-733-0330 FAX No. ▶ 301-733-4038
- 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 **FEBRUARY 15, 2014**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2012**, and ending **JUN 30, 2013**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

| | | | |
|--|-----------|----|----|
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | \$ | 0. |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | \$ | 0. |
| c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 3c | \$ | 0. |

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

Form **8879-EO**

**IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2012, or fiscal year beginning JUL 1, 2012, and ending JUN 30, 2013

2012

Department of the Treasury
Internal Revenue Service

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

| | |
|--|---|
| Name of exempt organization BROOK LANE HEALTH SERVICES, INC. | Employer identification number 52-0698850 |
|--|---|

Name and title of officer
**FLOYD E KLAUKA JR
CHIEF FINANCIAL OFFICER**

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

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

| | | |
|--|--|--------------------|
| 1a Form 990 check here ▶ <input checked="" type="checkbox"/> | b Total revenue, if any (Form 990, Part VIII, column (A), line 12) | 1b <u>22916040</u> |
| 2a Form 990-EZ check here ▶ <input type="checkbox"/> | b Total revenue, if any (Form 990-EZ, line 9) | 2b _____ |
| 3a Form 1120-POL check here ▶ <input type="checkbox"/> | b Total tax (Form 1120-POL, line 22) | 3b _____ |
| 4a Form 990-PF check here ▶ <input type="checkbox"/> | b Tax based on investment income (Form 990-PF, Part VI, line 5) | 4b _____ |
| 5a Form 8868 check here ▶ <input type="checkbox"/> | b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c) | 5b _____ |

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2012 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize SMITH ELLIOTT KEARNS & COMPANY, LLC to enter my PIN 12345
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ ******* THIS IS NOT A FILEABLE COPY ***** Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.
25266912345
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2012 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

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