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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
Christian Health Care Center

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
301 Sicomac Avenue
Suite

City or town, state or country, and ZIP + 4
Wyckoff, NJ 07481

D Employer identification number
22-1546163

E Telephone number
(201) 848-5200

G Gross receipts $ 69,293,862

F Name and address of principal officer
Kevin A Stagg
301 Sicomac Avenue
Wyckoff, NJ 07481

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www chccnj org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1911 | **M** State of legal domicile NJ

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE HEALTHCARE SERVICES TO THE COMMUNITY SUCH AS A SKILLED NURSING FACILITY, RESIDENTIAL CARE, AND PSYCHIATRIC SERVICES

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance	**3** Number of voting members of the governing body (Part VI, line 1a)	**3**	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	**4**	14
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	1,045
	6 Total number of volunteers (estimate if necessary)	**6**	177
	7a Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	5,120
	b Net unrelated business taxable income from Form 990-T, line 34	**7b**	-706

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	725,413	199,874
	9 Program service revenue (Part VIII, line 2g)	67,527,342	67,843,849
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	72,122	109,586
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	596,215	608,951
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	68,921,092	68,762,260
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	50,870,380	50,130,460
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	17,870,272	18,224,306
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	68,740,652	68,354,766
	19 Revenue less expenses Subtract line 18 from line 12	180,440	407,494

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	69,630,028	70,448,078
	21 Total liabilities (Part X, line 26)	50,645,947	50,793,387
	22 Net assets or fund balances Subtract line 21 from line 20	18,984,081	19,654,691

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 — 2013-11-04 Date

▶ KEVIN ASTAGG EVP/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶ ERNST & YOUNG US LLP			Firm's EIN ▶	
Firm's address ▶ 111 MONUMENT CIRCLE SUITE 2600 INDIANAPOLIS, IN 46204			Phone no (317) 681-7000	

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 . . . . . ☑

1 Briefly describe the organization's mission

The mission of the Center is to provide a continuum of high-quality services consistent with the Christian principles on which the institution was founded Care is provided to those in need of long-term care, mental-health care, and residential living in a compassionate and loving environment The mission is rooted in the belief that we minister to the whole person, recognizing that a person's faith should be utilized, strengthened, and nourished Accordingly, we respect and care for the physical, emotional, and spiritual needs of those we serve

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 39,774,278 including grants of $) (Revenue $ 48,281,528)

The Centers Long-term Care Division operates (i) the Heritage Mano Manor Nursing Home ("Heritage Manor"), a 252-bed skilled nursing and medical-care facility, (ii) Hillcrest Residence, a 39-bed Class C bed boarding home, (iii) Evergreen Court, a 40-unit supportive senior housing complex, (iv) the Longview Assisted Living Residence ("Longview"), a 95-bed assisted living facility with a specialized unit for residents with memory impairment, (v) Southgate Behavior Management Unit ("Southgate"), a 40-bed long-term care facility that specializes in behavior-management treatment, and (vi) the Christian Health Care Adult Day Services ("Adult Day Services") programs in Wayne and Wyckoff, New Jersey that provide daytime nursing and respite care for area seniors

4b (Code) (Expenses $ 17,458,509 including grants of $) (Revenue $ 19,562,321)

The Center's Mental Health Division operates (i) Ramapo Ridge Psychiatric Hospital, a 58-bed inpatient facility for adult and geriatric patients, (ii) Ramapo Ridge Partial Program, a short term treatment program for patients with severe symptoms related to an acute psychiatric/psychological condition, (iii) Christian Health Care Counseling Center, a program offering counseling services to families and individuals of all ages, and (iv) Pathways, a partial hospitalization program treating adults with both developmental disabilities and co-existing psychiatric disorders

4c (Code) (Expenses $ including grants of $) (Revenue $)

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

4e **Total program service expenses** ▶ 57,232,787

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)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
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? *If "Yes," complete Schedule C, Part II*	4		No
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? *If "Yes," complete Schedule C, Part III*	5		No
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? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
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? *If "Yes," complete Schedule D, Part IV*	9	Yes	
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
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? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
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? *If "Yes," complete Schedule D, Part VII*	11b		No
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? *If "Yes," complete Schedule D, Part VIII*	11c		No
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? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
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)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
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? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
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? *If "Yes," complete Schedule F, Parts II and IV*	15		No
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? *If "Yes," complete Schedule F, Parts III and IV*	16		No
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? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
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? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
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? *If "Yes," complete Schedule J*	**23**	Yes	
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? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
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?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
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? *If "Yes," complete Schedule L, Part I*	**25a**		No
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? *If "Yes," complete Schedule L, Part I*	**25b**		No
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? *If "Yes," complete Schedule L, Part II*	**26**		No
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? *If "Yes," complete Schedule L, Part III*	**27**		No
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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
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? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
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? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	21		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,045		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 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 . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 14		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ NJ

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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

▶ KEVIN A STAGG 301 SICOMAC AVENUE WYCKOFF, NJ (201) 848-5200

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, or 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 dotted 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) Rick De Bel Treasurer	1 0 0 0	X		X						
(2) Rev Rod Gorter Trustee	1 0 0 0	X								
(3) Cynthia Bach Trustee	1 0 0 0	X								
(4) Sandra De Young Chair	1 0 0 0	X		X						
(5) Henry J Driesse Assistant Secretary	1 0 0 0	X								
(6) Daniel C Grimm Trustee	1 0 0 0	X								
(7) Craig Hoogstra Esq Trustee	1 0 0 0	X								
(8) Ruth Knyfd Trustee	1 0 0 0	X								
(9) Gary Lenderink Vice Chair	1 0 0 0	X		X						
(10) Arie Leegwatger Trustee	1 0 0 0	X								
(11) Gordon D Meyer Esq Secretary	1 0 0 0	X		X						
(12) David Montgomery MD Trustee	1 0 0 0	X								
(13) Roger Steginga Assistant Treasurer	1 0 0 0	X								
(14) David Visbeen Trustee	1 0 0 0	X								
(15) Douglas Struyk President/CEO	40 0 1 0			X				371,466	0	29,143
(16) Denise Dunlap Ratcliffe Executive Vice President/COO	40 0 0 0			X				300,762	0	19,564
(17) Kevin A Stagg Executive Vice President/CFO	40 0 1 0			X				271,279	0	27,689

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 dotted 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) Peter Peterson VP LT Care & Post-Acute Care	40 0 0 0				X			169,062	0	9,953
(19) Robert Zierold Sr VP HR and PROFESSIONAL DEV	40 0 0 0				X			182,326	0	25,092
(20) Howard Gilman Medical Affairs/Medical Exec	40 0 0 0				X			190,115		21,087
(21) Michael Doss SVP Facilities Mgt & Business	40 0 0 0				X			162,026	0	21,747
(22) Arjazali Ranjiani Psychiatrist	40 0 0 0					X		323,255	0	23,866
(23) Cythia Jalando-On Psychiatrist	40 0 0 0					X		232,971	0	12,942
(24) Igor Gefter Psychiatrist	40 0 0 0					X		279,582	0	24,199
(25) Hany Sourial Medical Director of LT Care	40 0 0 0					X		342,787	0	23,739
(26) Adnan Khan Psychiatrist	40 0 0 0					X		311,671		23,866

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	3,137,302	0	262,887

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 ▶ 57

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

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
GENESIS ELDERCARE REHABAILITATION , PO BOX 7247-6524 PHILADELPHIA PA 19170	Therapy Services	3,242,120
OMNICARE PHARMACY , 121 ALGONQUIN PARKWAY WHIPPANY NJ 07981	Pharmacy Services	954,446
U S FOODS , PO BOX 641871 PITTSBURGH PA 15264	Food Purchases	715,892
EXECUTIVE CARE , 270 STATE STREET HACKENSACK NJ 07601	Temp Nursing Srvcs	518,836
VALLEY HOSPITAL , 223 NORTH VAN DIEN AVENUE RDIEWOOD NJ 07451	Lab & Medical Srvcs	386,584

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 ▶ 11

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	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	117,573			
	e	Government grants (contributions)	1e	76,248			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	6,053			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		199,874			
Program Service Revenue			Business Code				
	2a	Long Term Care	623000	48,276,408	48,276,408		
	b	Mental Health Services	621990	19,562,321	19,562,321		
	c	BUTTONWOOD PSYCHIATRIC HOSP CONSULTING	541610	5,120		5,120	
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		67,843,849			
	3	Investment income (including dividends, interest, and other similar amounts)		5,057			5,057
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)	0	0			
	d	Net rental income or (loss)		0			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	636,131				
	b	Less cost or other basis and sales expenses	531,602				
	c	Gain or (loss)	104,529				
	d	Net gain or (loss)		104,529			104,529
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	BARBER & BEAUTY	453220	168,080			168,080
	b	MATTRESS RENTALS	900099	134,240			134,240
	c	Gift Shop	900099	125,332			125,332
	d	All other revenue		181,299			181,299
	e	**Total.** Add lines 11a–11d		608,951			
	12	**Total revenue.** See Instructions		68,762,260	67,838,729	5,120	718,537

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	0			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	1,801,310	1,513,100	288,210	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	38,240,292	32,121,845	6,118,447	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	729,000	612,360	116,640	
9 Other employee benefits	6,296,675	5,289,207	1,007,468	
10 Payroll taxes	3,063,183	2,573,074	490,109	
11 Fees for services (non-employees)				
a Management	0			
b Legal	29,400		29,400	
c Accounting	165,417		165,417	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	3,614,564	3,535,315	79,249	
12 Advertising and promotion	418,351	322,130	96,221	
13 Office expenses	1,636,208	1,259,880	376,328	
14 Information technology	1,573,555	1,211,637	361,918	
15 Royalties . .	0			
16 Occupancy	2,509,860	2,225,253	284,607	
17 Travel	89,200	68,684	20,516	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	60,314	46,442	13,872	
20 Interest	517,903	424,680	93,223	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	3,396,804	2,785,379	611,425	
23 Insurance	878,523	676,462	202,061	
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 MEDICAL EXPENSES	3,334,207	2,567,339	766,868	
b				
c				
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	68,354,766	57,232,787	11,121,979	0
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		0	1	0
	2	Savings and temporary cash investments		3,714,838	2	4,950,970
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		8,611,601	4	7,926,011
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	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 instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		1,460,197	9	1,336,861
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 97,848,805			
	b	Less accumulated depreciation	10b 47,043,849	50,799,460	10c	50,804,956
	11	Investments—publicly traded securities		1,973,584	11	2,119,607
	12	Investments—other securities See Part IV, line 11		159,495	12	158,501
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		2,910,853	15	3,151,172
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		69,630,028	16	70,448,078
Liabilities	17	Accounts payable and accrued expenses		5,179,736	17	5,742,970
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		30,492,803	20	29,044,644
	21	Escrow or custodial account liability Complete Part IV of Schedule D		1,402,708	21	1,326,258
	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		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		2,875,000	23	2,875,000
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		10,695,700	25	11,804,515
	26	**Total liabilities.** Add lines 17 through 25		50,645,947	26	50,793,387
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		18,040,882	27	18,711,492
	28	Temporarily restricted net assets		215,218	28	215,218
	29	Permanently restricted net assets		727,981	29	727,981
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ 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		18,984,081	33	19,654,691
	34	Total liabilities and net assets/fund balances		69,630,028	34	70,448,078

Part XI Reconcilliation 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	68,762,260
2	Total expenses (must equal Part IX, column (A), line 25)	2	68,354,766
3	Revenue less expenses Subtract line 2 from line 1	3	407,494
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	18,984,081
5	Net unrealized gains (losses) on investments	5	222,260
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	40,856
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	19,654,691

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 ☐ Cash ☑ Accrual ☐ 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?	2a		No
	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 ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	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 ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
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?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A (Form 990 or 990EZ)

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
Christian Health Care Center

Employer identification number
22-1546163

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 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

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 for 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 ▶☐

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 ▶☐

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 ▶☐

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 ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

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

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

Facts And Circumstances Test

Explanation

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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
Christian Health Care Center

Employer identification number
22-1546163

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.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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	1,402,708
d Additions during the year	1d	864,952
e Distributions during the year	1e	941,402
f Ending balance	1f	1,326,258

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	b (c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	727,981	727,981	727,981	727,981	727,981
b Contributions					
c Net investment earnings, gains, and losses	4,858	5,699	6,552	33,474	35,920
d Grants or scholarships					
e Other expenditures for facilities and programs	4,858	5,699	6,552	33,474	35,920
f Administrative expenses					
g End of year balance	727,981	727,981	727,981	727,981	727,981

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 100 000 %
- 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)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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				
b Buildings		63,062,013	28,031,097	35,030,916
c Leasehold improvements		2,205,225	1,094,764	1,110,461
d Equipment		25,593,893	17,917,988	7,675,905
e Other		6,987,674		6,987,674
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				50,804,956

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		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
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
Federal income taxes	0
MINIMUM PENSION LIABILITY	9,094,895
THIRD PARTY LIABILITY	1,099,000
ACCRUED EXPENSE SICK TIME	808,000
IBNR RESERVE	750,033
FUND BALANCE - PNA	52,587
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	11,804,515

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	
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	
3	Subtract line **2e** from line **1**			3	
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	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

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

1	Total expenses and losses per audited financial statements			1	
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	
3	Subtract line **2e** from line **1**			3	
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	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

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

Identifier	Return Reference	Explanation
Security Payment for room and board	SCHEDULE D, PART V	One Monthly Security payment required on admissions and payable after sixty days after discharge and held in a separate account at the Bank of America not directly by CHCC PART V, LINE 4 ENDOWMENT FUNDS ARE USED TO SUPPORT THE ORGANIZATION'S GENERAL OPERATIONS

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Christian Health Care Center

Employer identification number
22-1546163

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	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
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			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ 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 *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☑ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %			
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"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
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 eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b		No
	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)			753,389		753,389	1 100 %
b Medicaid (from Worksheet 3, column a)			18,154,369	10,440,756	7,713,613	11 280 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			18,907,758	10,440,756	8,467,002	12 380 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	18	231	93,746	1,241	92,505	0 140 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits	18	231	93,746	1,241	92,505	0 140 %
k **Total.** Add lines 7d and 7j	18	231	19,001,504	10,441,997	8,559,507	12 520 %

Part II **Community Building Activities** Complete this if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	18	196	66,874		66,874	0 100 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development	2	49	36,708	3,000	33,708	0 050 %
9	Other						
10	**Total**	20	245	103,582	3,000	100,582	0 150 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	158,963		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	152,409		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	1,893,741		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	1,937,849		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-44,108		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?		9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI		9b	Yes	

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

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	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
1	CHRISTIAN HEALTH CARE CENTER 301 SICOMAC AVENUE WYCKOFF, NJ 07481 WWW CHCCNJ ORG	X								PSY HOSP,SK NURS FAC	

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 CHRISTIAN HEALTH CARE CENTER

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	1		
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 ___			
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	3		
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	4		
5	Did the hospital facility make its CHNA report widely available to the public?	5		
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☐ Hospital facility's website			
b	☐ Available upon request from the hospital facility			
c	☐ 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	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ 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	7		
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)?	8a		
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
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? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ 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?	**15**	Yes	
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 the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ 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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

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

		Yes	No
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?	**19**		No
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 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?	**21**		No
If "Yes," explain in Part VI			
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?	**22**		No
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?

	Name and address	Type of Facility (describe)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, 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

Identifier	ReturnReference	Explanation
PART I, LINE 7		Christian Health Care Center uses the cost to charge ratio to calculate the amount presented in Part 1 line 7 This cost to charge ratio methodology addresses all patient segments throughout the Christian Health Care Center community Part II Christian Health Care Center provides health education classes to residents in the community and on-site education training to students which promotes healthy living and lifestyle choices to community residents PART III, LINE 4 Christian Health Care Center's bad debt expense footnote appears on page 11 of the 2012 audited financial statements PART III, LINE 8 Christian Health Center uses the cost to charge ratio to determine the amount that is included in line 6 The Christian HealthCare Center is treating a severly mentally ill population who otherwise would not be able to receive treatment if the Center did not provide this benefit to its inpatient and outpatient residents The Medicare shortfalls should be considered a community benefit because Christian Health Care Center is providing care to these patients/residents with full knowledge that Medicare reimbursement will not cover the full cost of care to these residents The Medicare shortfall should be considered a community benefit because Christian Health Care Center is providing care to these patients with full knowledge that Medicare reimbursement will not cover the cost of providing care to these residents PART III, LINE 9B In connection with its Mission Statement and subject to the availability of resources, the Center provides outpatient, inpatient and partial hospitalization clients/patients free care or sliding fee scale to uninsured, under insured or otherwise ineligible insured patients/clients who are unable to pay for services due to their financial situation Free Care or Sliding Fee Scale shall refer to the provision of health care services and supplies by employees of the Center Free Care or a Sliding Fee Scale shall not include cash payment in any form, such as the payment of any individual's health insurance premiums, or free goods not otherwise furnished in the ordinary course of the Center's operations NEEDS ASSESSMENT Christian Health Care Center assess the health-care needs of the community through market research conducted by organizations specializing in senior markets They also track and trend referrals and admissions from acute care facilities, other nursing facilities and directly from the community at large Whereas, trending these numbers shows the organization which programs will require additional resources to operating at a high level PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE The Center 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 charity care policy The Center posts it Charity Care Policy, or a summary thereof, and financial assistance contact information in the admissions areas, waiting rooms and by the reception areas, and other areas of the Organization's Facilities in which eligible patients are likely to be present or seek such information The Center provides a copy of the policy, or a summary thereof and financial assistance contact information to patients as part of the intake process and provides a copy of the policy, or a summary thereof, and financial assistance contact information to patients with discharge materials it includes in the policy, or a summary thereof, along with financial assistance contact information, in patient bills, and/or discusses with patient the availability of various government benefits, such as Medicaid or State programs, and assist the patient with the qualifications for such programs where applicable COMMUNITY INFORMATION DESCRIPTION Christian Health Care Center serves two distinct communities, older adults and the mentally ill The service area for Elder-Care programs includes Northwest Bergen County and Southern Passaic County The service area for inpatient psychiatric services is much larger and includes most of Northern New Jersey Also, the age of the psychiatric patients spans for eighteen to geriatric The Center implements awareness and education in external based-settings to help the community PROMOTION OF COMMUNITY HEALTH The Center provides meals on wheels to services, social outreach to community members who are housebound as well as CPR classes to local residents OTHER INFORMATION Free Care or Sliding Scale In connection with its Mission Statement and subject to the availability of resources, the Center provides outpatient, inpatient and partial hospitalization clients/patients free care or sliding fee scale to uninsured, under insured or otherwise ineligible insured patients/clients who are unable to pay for services due to thier financial situation Free Care or Sliding Fee Scale shall refer to the provision of health care services and supplies by employees of the Center Free Care or a Sliding Fee Scale shall not include cash payment in any form, such as the payment of any individual's health insurance premiums, or free goods not otherwise furnished in the ordinary course of the Center's operations Part VI Line 6 Christian Health Care Center is not part of an affiliated health care system Part VI Line 7 New Jersey

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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, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Christian Health Care Center

Employer identification number
22-1546163

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in 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**		
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			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ 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**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only 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**		No
b	Any related organization?	**5b**		No
	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**		No
b	Any related organization?	**6b**		No
	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**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured 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**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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				
See Additional Data Table							

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 22-1546163
Name: Christian Health Care Center

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Douglas Struyk	(I)	354,466	0	17,000	6,250	22,893	400,609	0
	(II)	0	0	0	0	0	0	0
Denise Dunlap Ratcliffe	(I)	295,562	0	5,200	6,250	13,314	320,326	0
	(II)	0	0	0	0	0	0	0
Kevin A Stagg	(I)	271,279	0	0	6,250	21,439	298,968	0
	(II)	0	0	0	0	0	0	0
Peter Peterson	(I)	152,562	0	16,500	4,078	5,875	179,015	0
	(II)	0	0	0	0	0	0	0
Robert Zierold	(I)	182,326	0	0	4,553	20,539	207,418	0
	(II)	0	0	0	0	0	0	0
Howard Gilman	(I)	173,115	0	17,000	12,917	8,170	211,202	0
	(II)							
Aijazali Nanjiani	(I)	306,255	0	17,000	12,917	10,949	347,121	0
	(II)	0	0	0	0	0	0	0
Cythia Jalando-On	(I)	216,471	0	16,500	5,084	7,858	245,913	0
	(II)	0	0	0	0	0	0	0
Igor Gefter	(I)	262,755	0	16,827	12,917	11,282	303,781	0
	(II)	0	0	0	0	0	0	0
Hany Sourial	(I)	342,787	0	0	12,917	10,822	366,526	0
	(II)	0	0	0	0	0	0	0
Michael Doss	(I)	162,026	0	0	4,071	17,676	183,773	0
	(II)	0	0	0	0	0	0	0
Adnan Khan	(I)	311,671	0	0	12,917	10,949	335,537	0
	(II)							

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Christian Health Care Center

Employer identification number
22-1546163

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	NJ Health Care Facilities Financing Authority	22-1987084	64579FXR9	02-19-2009	14,970,000	CHC Issue Series 2009 Var Rate		X		X	X	
B	NJ Health Care Facilities Financing Authority	22-1987084	000000000	01-17-2008	3,500,000	$3,500,000 Equipment Revenue Note		X		X		X
C	NJ Health Care Facilities Financing Authority	22-1987084	64579FGX5	12-15-2005	6,600,000	Var Rate Composite Program 2005A-2		X		X	X	

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	0	0	
2	Amount of bonds legally defeased	0	0	0	
3	Total proceeds of issue	14,970,000	3,500,000	6,600,000	
4	Gross proceeds in reserve funds	0	0	0	
5	Capitalized interest from proceeds	0	0	0	
6	Proceeds in refunding escrows	9,879,296	0	0	
7	Issuance costs from proceeds	159,880	0	95,888	
8	Credit enhancement from proceeds	59,064	0	30,647	
9	Working capital expenditures from proceeds	0	0	0	
10	Capital expenditures from proceeds	4,871,760	3,500,000	6,473,465	
11	Other spent proceeds	0	0	0	
12	Other unspent proceeds	0	0	0	
13	Year of substantial completion	2010	2008	2006	

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X		X		
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0%		0%		0%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?	X				X			
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X				X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X				X		
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X		X					
b	Exception to rebate?		X		X				
c	No rebate due?		X				X		
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X				X			
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X				X		
b	Name of provider	0		0		0			
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b	Name of provider	0		0		0			
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X			

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X		X		X		

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
SCHEDULE K, PART IV, Line 2c	0	The date of the last rebate computation was performed on November 9, 2010
SCHEDULE K, DESCRIPTIONS OF PURPOSE	0	NJHCFFA VARIABLE RATE COMPOSITE BOND PROGRAM (2005) THE PROCEEDS WERE USED FOR THE CONSTRUCTION AND EQUIPPING OF A TWO-STORY ADDITION AT THE INPATIENT MENTAL HEALTH FACILITY, THE CONSTRUCTION AND EQUIPPING OF RENOVATIONS, A NEW ACTIVITY FACILITY AND NURSES STATION, AND THE ACQUISITION OF PROPERTY SITUATED ADJACENT NEXT TO THE FACILITY SERIES 2009 VARIABLE RATE REVENUE BONDS THE PROCEEDS WERE USED FOR THE REFUNDING OF SERIES A BONDS AND THE CONSTRUCTION OF A GREAT ROOM IN THE NURSING HOME, AS WELL AS ADDITIONAL RENOVATION PROJECTS NJHCFFA TAX EXEMPT EQUIPMENT NOTE 2009 IN JANUARY 2008, THE CENTER FINANCED $3,500,000 THROUGH A NJHCFFA TAX EXEMPT EQUIPMENT NOTE THE PROCEEDS WERE USED FOR WASHERS/DRYERS, FURNITURE, IT EQUIPMENT AND NEW ENERGY-RELATED EQUIPMENT SUCH AS A CHILLERS PAYMENTS OF PRINCIPAL AND INTEREST ARE DUE THROUGH JANUARY 2018 AND ARE AT A FIXED INTEREST RATE OF 3 60%

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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 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
Christian Health Care Center

Employer identification number
22-1546163

Identifier	Return Reference	Explanation
Description of Classes of Members or Stockholders	Form 990, Part VI, Question 6	The majority of the Centers governing body is comprised of persons who reside in the Centers primary service area who are neither employees nor contractors of the Christian HealthCare Center Form 990, Part VI, Question 7A The Chairman shall call and preside at all meetings, whether of the Corporation or of the Board of Trustees and shall be, ex officio a member of all committees The Vice-Chairman shall act as Chairman in the absence of the Chairman and when so acting power and authority of the Chairman In the event there occurs a vacancy in the office of the Chairman, the Vice-Chairman shall assume the Chairman's responsibilities for the unexpired portion of the Chairman's term of the office until a qualified successor is chosen at a regular or special meeting of the Board of Trustees The Secretary shall act as a Secretary of both the Board of Trustees and the Corporation, shall act of custodians of all records and reports of the Corporation and shall be responsible for the keeping and reporting of adequate records of all transactions except financial, and of the minutes of all meetings of the Corporation and the Board of Trustees The Treasurer shall have custody of all funds of the Corporation Acting with the Finance Committee, the Treasurer shall see that a true and accurate accounting of the financial transactions of the Corporation is made, that reports of such transactions are presented to such representative as the Board of Trustees may designate for authorization of payment Form 990, Part VI, Question 7b The Corporation shall hold a least one meeting annually At this meeting Members shall Elect Trustees to fill vacancies from nominations presented by the Board of Trustees Take action on such matters brought before it by the Board of Trustees A majority vote of the Regular Members of the Corporation at any legal meeting shall be required to Approve financial transactions incurring debt in excess of $2,000,000 Approve of the sale or purchase of real estate in excess of $1,000,000 and approve any revision of the original Articles of Incorporation
Describe the Process used by Management &/or Governing Body to Review 990	Form 990, Part VI, Question 11B	A draft copy of the Organization's Form 990 (including required schedules), is sent to the Board of Trustee's before filing with the IRS for their review and oversight Any comments or changes recommended by the Board are reviewed by the Finance Department and if the changes are deemed proper incorporated in the final 990 that is filed with the IRS A final copy of the 990 that is filed with the IRS is made available to the Board via email or hard copy depending on the Board Member's preference
Description of Process to Monitor Transactions for Conflicts of Interest	Form 990, Part VI, Question 12c	All Officers, Directors, Trustees and Key Employees are required to read and sign the organization's written conflict of interest policy annually During the course of the year, annual in-services are given on the subject as well as annual education Within their disclosure they are required to state their interests and those of their family members that could give rise to conflicts of interest If a conflict of interest does arise, the matter is reviewed by the Corporate Compliance Committee and reported do the Board if necessary for further action The Board Chair, the Board Committee, or the Board shall ask the interested person to leave the meeting, although they may make a statement or answer any question on the matter at hand before leaving the room The interested person will not vote on the matter that gave rise to the potential conflict and the Board or Board Committee must approve the transaction or arrangement by a Majority Vote of the Board Members present at that has Quorum, not including the vote of the interested person
Offices & Positions for Which Process was Used, & Year Process was Begun	Form 990, Part VI, Question 15a	The Compensation determination for the Executive Director and Top Management Officials is based on area annual salary market rates and annual performance evaluations The process is reviewed annually by the personnel committee and uses data of comparable compensation for similar qualified persons in functionally comparable positions at similar situated organizations
Offices & Positions for Which Process was Used, & Year Process was Begun	Form 990, Part VI, Question 15b	Compensation determination for the CEO, Executive Director and Top Management Officials of Christian HealthCare Center is based on area Salary Market rates and annual performance evaluations
Avail of Gov Docs, Conflict of Interest Policy, & Fin Stmts to Gen Public	Form 990, Part VI, Question 19	Written request for the Organization's Governing documents, conflict of interest policy, and financial statements are considered on a case by case basis Form 990, Part XI, Question 9 Other Change in Net Assets or Fund Balance Change in Pension Liablity (452,353) Change in Interest in Foundation 493,209 Total 40,856

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Christian Health Care Center

Employer identification number
22-1546163

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
(1) 291 Sicomac Avenue LLC 301 SICOMAC AVENUE WYCKOFF, NJ 07481 20-5473688	INACTIVE	NJ		0	CHCC

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	(g) No
(1) CHRISTIAN HEALTHCARE CENTER FOUNDATION 301 SICOMAC AVENUE WYCKOFF, NJ 07481 22-3718702	FUNDRAISING	NJ	501(c)(3)	11-A	CHCC	Yes	
(2) HOLLAND MUTUAL CHARITABLE HEALTH CORP 301 SICOMAC AVENUE WYCKOFF, NJ 07481 22-3408320	SUPPORT OPS	NJ	501(c)(3)	11-A	NA		No
(3) CHCC CCRC Inc 301 Sicomac Avenue Wyckoff, NJ 07481 20-4072602	INACTIVE	NJ	501(c)(3)	11-A	CHCC	Yes	
(4) ADVENT CHRISTIAN HEALTH ASSOCIATES PC 301 SICOMAC AVENUE Wyckoff, NJ 07481 22-3629467	INACTIVE	NJ	501(c)(3)	9	CHCC	Yes	

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) Disproprtionate 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	

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

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

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

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) Christian Health Care Center Foundation	C	117,573	CASH

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 section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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	

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 22-1546163
Name: Christian Health Care Center

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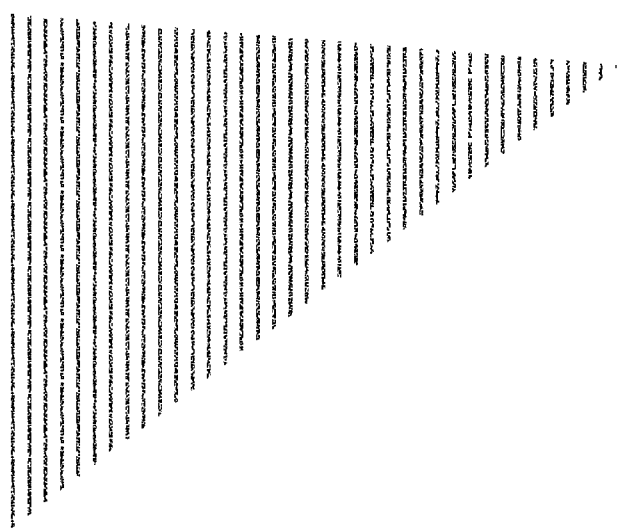

Combined Financial Statements and Supplementary Information

Christian Health Care Center and Affiliates
Years Ended December 31, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Christian Health Care Center and Affiliates

Combined Financial Statements and Supplementary Information

Years Ended December 31, 2012 and 2011

Contents

Ernst & Young LLP

Report of Independent Auditors

The Board of Trustees
Christian Health Care Center

We have audited the accompanying combined financial statements of Christian Health Care Center and Affiliates (the "Center"), which comprise the combined balance sheets as of December 31, 2012 and 2011, and the related combined statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Christian Health Care Center and Affiliates at December 31, 2012 and 2011, and the combined results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining balance sheet as of December 31, 2012 and combining statement of operations and changes in net assets for the year then ended are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Ernst & Young LLP

May 14, 2013

Christian Health Care Center and Affiliates

Combined Balance Sheets

	December 31 2012	2011
Assets		
Current assets:		
Cash and cash equivalents	**$ 4,448,082**	$ 2,674,787
Short-term investments	**5,967,565**	5,464,754
Assets limited to use, current portion	**1,111,740**	1,159,783
Accounts receivable, less allowances for uncollectibles of approximately $13,000 in 2012 and 2011	**7,926,011**	8,611,601
Prepaid expenses and other current assets	**685,240**	748,428
Total current assets	**20,138,638**	18,659,353
Assets limited to use, less current portion	**727,981**	727,981
Other assets	**2,132,846**	2,385,736
Deferred financing costs, net of accumulated amortization of approximately $431,000 in 2012 and $370,000 in 2011	**651,621**	711,769
Property, plant and equipment, net	**50,804,956**	50,799,460
Total assets	**$ 74,456,042**	$ 73,284,299
Liabilities and net assets		
Current liabilities:		
Current portion of long-term debt	**$ 1,394,702**	$ 1,448,159
Accounts payable and accrued expenses	**2,859,335**	2,824,964
Accrued payroll	**2,480,851**	2,392,776
Accrued interest	**11,119**	11,996
Estimated amounts due to third-party payers, net	**441,665**	421,316
Total current liabilities	**7,187,672**	7,099,211
Benefits payable	**1,399,000**	1,426,800
Pension obligation and other liabilities	**13,130,773**	11,677,092
Long-term debt, less current portion	**30,524,942**	31,919,644
Total liabilities	**52,242,387**	52,122,747
Commitments and contingencies		
Net assets:		
Unrestricted	**21,270,456**	20,218,353
Temporarily restricted	**215,218**	215,218
Permanently restricted	**727,981**	727,981
Total net assets	**22,213,655**	21,161,552
Total liabilities and net assets	**$ 74,456,042**	$ 73,284,299

See accompanying notes

Christian Health Care Center and Affiliates

Combined Statements of Operations

	Year Ended December 31	
	2012	**2011**
Revenue:		
Net patient service revenue less provision for bad debts	**$ 67,838,729**	$ 67,527,342
Investment income on debt service funds	**263**	5,216
Other revenue	**690,319**	672,077
Total revenue	**68,529,311**	68,204,635
Expenses:		
Salaries and wages	**40,041,602**	40,196,009
Employee benefits	**10,088,858**	10,674,371
Supplies and other	**14,309,599**	14,015,920
Interest and amortization	**517,903**	477,714
Depreciation	**3,396,804**	3,376,638
Total expenses	**68,354,766**	68,740,652
Income (loss) income from operations	**174,545**	(536,017)
Investment income and net realized gains and losses	**253,815**	211,932
Estate bequests	**183,757**	34,993
Foundation fundraising and contributions, net	**433,063**	478,923
Net change in unrealized gains and losses on investments	**459,276**	(314,773)
Excess (deficiency) of revenue over expenses from continuing operations	**1,504,456**	(124,942)
Grant proceeds for capital expenditures	**–**	100,000
Change in pension liability to be recognized in future periods	**(452,353)**	(1,400,659)
Increase (decrease) in unrestricted net assets	**$ 1,052,103**	$ (1,425,601)

See accompanying notes

Christian Health Care Center and Affiliates

Combined Statements of Changes in Net Assets

Years Ended December 31, 2012 and 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at January 1, 2011	$ 21,643,954	$ 215,218	$ 727,981	$ 22,587,153
Deficiency of revenue over expenses from continuing operations	(124,942)	–	–	(124,942)
Grant proceeds for capital expenditures	100,000	–	–	100,000
Change in pension liability to be recognized in future periods	(1,400,659)	–	–	(1,400,659)
Decrease in net assets	(1,425,601)	–	–	(1,425,601)
Balance at December 31, 2011	20,218,353	215,218	727,981	21,161,552
Excess of revenue over expenses from continuing operations	**1,504,456**	–	–	**1,504,456**
Change in pension liability to be recognized in future periods	**(452,353)**	–	–	**(452,353)**
Increase in net assets	**1,052,103**	–	–	**1,052,103**
Balance at December 31, 2012	**$ 21,270,456**	**$ 215,218**	**$ 727,981**	**$ 22,213,655**

See accompanying notes

Christian Health Care Center and Affiliates

Combined Statements of Cash Flows

	Year Ended December 31	
	2012	**2011**
Operating activities		
Change in net assets	**$ 1,052,103**	$ (1,425,601)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**3,396,804**	3,376,638
Gain on disposal of asset	**(1,936)**	–
Amortization of financing costs	**60,148**	63,237
Net change in unrealized gains and losses on investments	**(459,276)**	314,773
Changes in operating assets and liabilities:		
Accounts receivable, net	**685,590**	(1,322,504)
Prepaid expenses and other current assets	**63,188**	53,233
Other assets	**252,890**	(1,054,977)
Accounts payable and accrued expenses, accrued payroll and accrued interest	**121,569**	469,312
Estimated amounts due to third-party payers, net	**20,349**	(142,454)
Benefits payable and pension obligation and other liabilities	**1,425,881**	3,215,665
Net cash provided by operating activities	**6,617,310**	3,547,322
Investing activities		
Purchases of property, plant and equipment, net	**(3,406,471)**	(3,236,226)
(Purchase) redemption of short-term investments	**(43,535)**	128,968
Proceeds from disposal of asset	**6,107**	–
Net sales of assets limited to use	**48,043**	102,815
Net cash used in investing activities	**(3,395,856)**	(3,004,443)
Financing activities		
Payments of long-term debt	**(1,448,159)**	(1,295,689)
Proceeds from issuance of long-term debt	**–**	900,000
Net cash used in financing activities	**(1,448,159)**	(395,689)
Increase in cash and cash equivalents	**1,773,295**	147,190
Cash and cash equivalents at beginning of year	**2,674,787**	2,527,597
Cash and cash equivalents at end of year	**$ 4,448,082**	$ 2,674,787
Supplemental disclosure of cash flow information		
Cash paid for interest	**$ 531,732**	$ 462,151

See accompanying notes

Christian Health Care Center and Affiliates

Notes to Combined Financial Statements

December 31, 2012

1. Organization and Summary of Significant Accounting Policies

Organization

Christian Health Care Center (the Center) consists of 298 skilled nursing beds (Heritage Manor), a 95-bed assisted living residence (Longview), a 39-bed congregate residence (Hillcrest), 40 senior residential housing units (Evergreen Court), a 40-bed long-term care behavioral management facility (Southgate), a 58-bed mental health facility (Ramapo Ridge) and several geriatric and mental health outpatient programs. Individuals associated with churches from the Reformed tradition founded the Center in 1911.

The accompanying combined financial statements include the Center, Holland Mutual Charitable Health Corporation (Holland Mutual), and the Christian Health Care Center Foundation, Inc. (the Foundation). Holland Mutual was established to operate for the advancement of charitable health care issues and care as well as other charitable, religious, educational and scientific purposes. The Center is the sole member of the Foundation, which was established to assist the Center in furtherance of its charitable mission. The Center and Holland Mutual are governed by boards which share several members. Due to the existence of common control through common board members, the financial statements of these entities have been combined. All significant intercompany and inter-entity balances and transactions have been eliminated in the accompanying combined financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, such as estimated uncollectibles for accounts receivable for services to patients, and liabilities, such as estimated settlements with third-party payers, and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

Cash Equivalents

The Center considers all highly liquid financial instruments with a maturity of three months or less when purchased to be cash equivalents, except for amounts included in short-term investments and assets limited to use. Included in cash and cash equivalents are amounts on deposit at financial institutions which exceed Federal Deposit Insurance Company limits. Management believes that the institutions are viable entities and minimal risk of loss exists.

1. Organization and Summary of Significant Accounting Policies (continued)

Receivables for Patient Care

Patient accounts receivable for which the Center receives payment under cost reimbursement, prospective payment formula or negotiated rates, which cover the majority of patient services at the Center, are stated at the estimated net realizable amounts from their respective payers, which are generally less than the established billing rates of the Center.

The amount of the allowance for uncollectibles is based on management's assessment of historical and expected collections, business economic conditions, trends in health care coverage, and other collection indicators and/or anticipated collection amounts. Additions to the allowance for uncollectibles result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for uncollectibles.

Investments and Investment Income

Investment securities included in short-term investments and assets limited to use consist of cash and cash equivalents, certificates of deposit, equity securities, mutual funds, fixed income securities (government and corporate debt obligations) and an interest in a hedge fund. Investments in marketable securities are reported at fair value in the accompanying combined balance sheets. The fair value of investments is determined by reference to quoted market prices. The Center's interest in a hedge fund limited partnership is reported based on the fund's net asset value derived from the application of the equity method of accounting. The Center's risk with respect to the hedge fund's investment activities, which may include securities lending, short sales, and trading in futures or other derivative products, is limited to the Center's capital balance with the fund. Donated investments are recorded at their fair value at the date of gift. All investments are classified as trading securities.

Investment income (including realized gains and losses on investments, interest, and dividends) and net change in unrealized gains and losses are included in the excess (deficiency) of revenue over expenses from continuing operations unless the income is restricted by donor or law. Investment income related to assets held by trustees under debt financing agreements is included in revenues from operations.

1. Organization and Summary of Significant Accounting Policies (continued)

Assets Limited to Use

Assets limited to use include assets held by trustees under debt financing agreements, designated assets set aside by the Board of Trustees for other purposes and assets designated for specific purposes by donors.

Deferred Financing Costs

Deferred financing costs represent costs incurred to obtain financing and are amortized over the term of the related debt using the effective interest method.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, except for donated property, plant and equipment, which are recorded at fair value at the date of donation. Annual provisions for depreciation of property, plant and equipment are computed using the straight-line method over the estimated useful lives of the assets.

Professional and General Liability

The Center maintains claims-made professional and general liability coverage through a commercial insurance carrier. Estimated incurred but not reported claims costs at December 31, 2012 and 2011 are immaterial to the combined financial statements. As a result of the adoption of Accounting Standards Update No. 2010-24 in 2011, at December 31, 2012 and 2011, the Center recorded an estimated insurance recovery receivable and long-term insurance claim liability related to professional and general liabilities of approximately $350,000 and $551,000, respectively.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use is temporarily limited by the donors for a specific time period or purpose. Assets are released from restrictions when the funds have been used for the intended purpose.

1. Organization and Summary of Significant Accounting Policies (continued)

Permanently Restricted Net Assets

The Center follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as it relates to its permanently restricted contributions and net assets, as enacted by the State of New Jersey in 2009. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, residents, third-party payers, and others for service rendered and includes estimated retroactive adjustments for ongoing and future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related service is rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to audits, reviews and investigations.

For uninsured patients that do not qualify for charity care, the Center recognizes revenue on the basis of discounted rates under the Center's self pay patient policy.

1. Organization and Summary of Significant Accounting Policies (continued)

The components of patient service revenue for the years ended December 31, 2012 and 2011, net of contractual allowances and discounts (but before the provision for bad debts) and after the provision for bad debts, recognized from these major payor sources based on primary insurance designation, is as follows:

	2012	2011
Patient service revenue (net of contractual allowances and discounts, but before the provision for bad debts):		
Third-party payors	**$ 43,014,551**	$ 44,245,479
Self-pay	**24,873,378**	23,336,063
	67,887,929	67,581,542
Provision for bad debts	**(49,200)**	(54,200)
Net patient service revenue less provision for bad debts	**$ 67,838,729**	$ 67,527,342

Accounts receivable are also reduced by an allowance for uncollectible accounts. The Center analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). The difference between discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectibles.

The Center's allowance for uncollectibles totaled approximately $13,000 at December 31, 2012 and 2011. The allowance for uncollectibles for self-pay accounts was approximately 2% of self-pay accounts receivable as of December 31, 2012 and 2011. Overall, the total of self-pay discounts and write-offs has not changed significantly during the years ended December 31, 2012 and 2011. The Center has not experienced significant changes in write-off trends and did not change its charity care policy during the years ended December 31, 2012 and 2011.

1. Organization and Summary of Significant Accounting Policies (continued)

The Center provides care to patients under Medicare, Medicaid and other third-party contractual arrangements. Medicare and Medicaid regulations require annual retroactive settlements for certain payment components through cost reports filed by the Center. These retroactive settlements are estimated and recorded in the financial statements in the year in which they occur or can be estimated. The estimated settlements recorded at December 31, 2012 and 2011 could differ from actual settlements based on the results of cost report audits. Cost reports filed with Medicare and Medicaid for all years through 2006 have been audited and settled as of December 31, 2012. During 2012 and 2011, the Center recorded net patient service revenue of approximately $196,000 and $933,000, respectively, for positive settlements related to prior years.

Revenue from the Medicare and Medicaid programs accounted for approximately 54% and 57% of the Center's net patient service revenue for the years ended December 31, 2012 and 2011, respectively. There are various proposals at the federal and state levels that could, among other things, significantly reduce payment rates or modify payment methods. The ultimate outcome of these proposals and other market changes, including the potential effects of health care reform that has been enacted by the federal government, cannot presently be determined. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Center. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near future. The Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential noncompliance that could have a material adverse effect on the accompanying combined financial statements.

Performance Indicator

The combined statements of operations include excess (deficiency) of revenue over expenses from continuing operations as the performance indicator. Changes in unrestricted net assets which are excluded from the performance indicator include grant proceeds for capital expenditures and change in pension liability to be recognized in future periods. Transactions deemed by management to be ongoing and central to the provision of the Center's services are reported as revenue and expenses from operations.

1. Organization and Summary of Significant Accounting Policies (continued)

Tax Status

The Center, Holland Mutual and the Foundation are not-for-profit corporations, as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The entities are also exempt from state and local income taxes.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update No. 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U S GAAP and IFRSs* (ASU No. 2011-04). ASU No. 2011-04 amended Accounting Standards Codification 820, *Fair Value Measurements*, to converge the fair value measurement guidance in U.S. generally accepted accounting principles ("GAAP") and International Financial Reporting Standards ("IFRSs"). In addition, ASU No. 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for interim and annual periods beginning after December 15, 2011. The Center adopted ASU No. 2011-04 in 2012 and has applied its provisions to the accompanying combined financial statements. The Center's adoption of ASU No. 2011-04 did not have an effect on the combined financial statements and relates only to disclosures.

2. Charity Care

The Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. As the collection of amounts determined to qualify as charity care is not pursued, such services are not reported as patient revenue. The cost of charity care is derived from both estimated and actual data. The estimated cost of charity care includes the direct and indirect cost of providing such services and is estimated utilizing the Center's ratio of cost to gross charges, which is then multiplied by the gross uncompensated charges associated with providing care to charity patients.

2. Charity Care (continued)

In addition, the Center provides several other charitable programs and activities, such as educational and health monitoring programs, that are primarily offered for the benefit of the local communities that the Center serves. In accordance with its mission, the Center commits substantial resources to sponsor a broad range of services to both the indigent as well as the broader community. Community benefits provided to the indigent include the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. This type of community benefit includes the costs of: traditional charity care; unpaid costs of care provided to beneficiaries of Medicaid and other indigent public programs; services such as free clinics and meal programs for which a patient is not billed or for which a nominal fee has been assessed; and cash and in-kind donations of equipment, supplies or staff time volunteered on behalf of the community.

Community benefits provided to the broader community include the costs of providing services to other populations who may not qualify as indigent but may need special services and support. This type of community benefit includes the costs of: services such as health promotion and education, health clinics and screenings, all of which are not billed or can be operated only on a deficit basis; unpaid portions of training health professional such as medical residents, nursing students and students in allied health professions; and the unpaid portions of testing medical equipment and controlled studies of therapeutic protocols. In connection with the completion of the Center's community needs assessment in 2011, volunteering efforts were enhanced in 2012.

A summary of the estimated cost of community benefits provided to both the indigent and the broader community follows:

	2012	**2011**
Community benefits provided to the indigent:		
Charity care provided	**$ 1,001,800**	$ 832,700
Unpaid cost of public programs, Medicaid and other indigent care programs	**8,408,900**	7,929,700
Community benefits provided to the broader community:		
Non-billed services for the community	**280,300**	15,125
Estimated cost of community benefits	**$ 9,691,000**	$ 8,777,525

3. Short-Term Investments and Assets Limited to Use

Short-term investments consist of the following:

	December 31 2012	2011
Cash and cash equivalents	**$ 473,654**	$ –
Certificates of deposit	**430,747**	426,712
Equity securities	**1,007,908**	1,046,046
Mutual funds	**3,794,510**	3,754,120
Fixed income securities	**102,336**	78,381
Alternative investment – hedge fund (equity method)	**158,510**	159,495
	$ 5,967,565	$ 5,464,754

Assets limited to use consist of cash and cash equivalents maintained for the following purposes:

	December 31 2012	2011
Under debt financing arrangements	**$ 664**	$ 48,707
By Board of Trustees	**1,111,076**	1,111,076
Permanently restricted by donor	**727,981**	727,981
Total assets limited to use	**1,839,721**	1,887,764
Less current portion	**1,111,740**	1,159,783
Assets limited to use, less current portion	**$ 727,981**	$ 727,981

A summary of the assets limited to use under debt financing arrangements is as follows:

	December 31 2012	2011
Debt service interest fund	**$ –**	$ 48,040
Debt service cost of issuance fund and other	**664**	667
	$ 664	$ 48,707

3. Short-Term Investments and Assets Limited to Use (continued)

Investment return is as follows:

	Year Ended December 31	
	2012	**2011**
Interest income – debt service funds	**$ 263**	$ 5,216
Interest and dividend income – other holdings	**13,339**	144,061
Net realized gains and losses	**240,476**	67,871
Net change in unrealized gains and losses	**459,276**	(314,773)
	$ 713,354	$ (97,625)

4. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	December 31	
	2012	**2011**
Land and land improvements	**$ 2,205,225**	$ 2,133,948
Buildings and improvements	**63,062,013**	62,395,783
Major movable equipment	**12,841,876**	10,575,348
Fixed and other equipment	**10,831,366**	11,243,241
Transportation vehicles	**1,920,651**	1,732,649
	90,861,131	88,080,969
Accumulated depreciation	**(47,043,849)**	(43,650,573)
	43,817,282	44,430,396
Construction in progress	**6,987,674**	6,369,064
	$ 50,804,956	$ 50,799,460

Substantially all property, plant and equipment have been collateralized under debt agreements.

Construction in progress includes approximately $5.6 million expended through December 31, 2012 for a proposed continuing care retirement community ("CCRC") project. Currently, the planned CCRC project is subject to zoning and other approvals and also would be contingent on the Center's ability to obtain sufficient financing. In March 2013, zoning approval was obtained from the Township of Wyckoff's Board of Adjustment. Pending approval from the Borough of

4. Property, Plant and Equipment (continued)

Hawthorne's Zoning Board of Adjustment, the Center will commence marketing efforts for prospective residents of the CCRC. Upon obtaining the necessary financing for the project, management anticipates that the Center will be reimbursed for the construction in progress expenditures paid on behalf of the CCRC project. The Center capitalized interest of approximately $73,000 and $50,000 during 2012 and 2011, respectively, related to construction projects.

5. Benefits Payable

During 1996, the Holland Mutual Burying Fund, then an unrelated not-for-profit organization that provided death benefits to its subscribers, transferred its assets and obligations to Holland Mutual. Benefits payable represent certificates held by subscribers for the payment of a death benefit for funeral expenses and is calculated based on the dollar value of the certificate purchased by the individual. As of December 31, 2012, there were approximately 2,659 certificates outstanding.

6. Long-Term Debt

Long-term debt consists of the following:

	December 31	
	2012	**2011**
New Jersey Health Care Facilities Financing Authority (NJHCFFA) Variable Rate Revenue Bonds, Series 2009 (a)	**$ 13,435,000**	$ 13,980,000
NJHCFFA Revenue and Refunding Bonds, Series 1997 B (b)	**7,400,000**	7,700,000
NJHCFFA Variable Rate Series 2005 (c)	**6,030,000**	6,180,000
NJHCFFA Variable Rate Composite Program (d)	**300,000**	400,000
NJHCFFA Tax Exempt Equipment Note 2009 (e)	**1,879,644**	2,232,803
Revolving construction loan (f)	**2,875,000**	2,875,000
	31,919,644	33,367,803
Less:		
Current portion	**1,394,702**	1,448,159
	$ 30,524,942	$ 31,919,644

6. Long-Term Debt (continued)

(a) On February 19, 2009, the NJHCFFA issued $14,970,000 of Series 2009 Variable Rate Revenue Bonds (Series 2009 Bonds), on behalf of the Center. The proceeds were used for the refunding of the Series A Bonds, as described below, and the construction of a Great Room in the nursing home, along with additional renovation projects. The Series 2009 Bonds are payable in annual installments of principal through July 2038 with interest at a variable rate (not to exceed 12%). The average interest rate during 2012 and 2011 was 0.49% and 0.28%, respectively. The Series 2009 Bonds are secured by a letter of credit with a bank with an available amount of approximately $13,625,000 and which expires February 18, 2016. In May 2013, the term of the letter of credit was extended to May 1, 2020.

(b) On January 7, 1998, the NJHCFFA issued $19,460,000 of Revenue and Refunding Bonds Series 1997 A (Series A Bonds). The Series A Bonds were advance refunded in February 2009 through the issuance of the Series 2009 Bonds. The Series A Bonds were fully redeemed.

Concurrently with the issuance of the Series A Bonds, the NJHCFFA issued $10,500,000 of Revenue and Refunding Bonds Series 1997 B (Series B Bonds). The Series B bonds are at a variable interest rate with maturities through 2028. The average interest rate during 2012 and 2011 was 0.82% and 0.31%, respectively. The proceeds of the Series B Bonds were used for the construction of an 80-unit, 92-bed assisted living facility which was completed in 1999. The Series B Bonds are secured by substantially all the Center's assets and gross receipts and a letter of credit with a bank. The letter of credit is for approximately $7,522,000 and expires December 15, 2015. In May 2013, the term of the letter of credit was extended to May 1, 2020.

(c) In December 2005, the Center financed $6,600,000 through the NJHCFFA Variable Rate Composite Program (COMP Program Series 2005). The bond proceeds were used for: the construction and equipping of a two-story addition at the inpatient mental health facility; the construction and equipping of renovations, a new Great Room and nurses station; and the acquisition of property situated adjacent to the facility. The bonds are payable in annual installments of principal through July 2035 and are at variable interest rates (not to exceed 12%) that averaged 0.64% and 0.33% during 2012 and 2011, respectively. The bonds are secured by a letter of credit with a bank. The letter of credit is for approximately $6,137,000 and expires December 15, 2015. In May 2013, the term of the letter of credit was extended to May 1, 2020.

6. Long-Term Debt (continued)

(d) In September 1998, the Center financed $1,000,000 through the NJHCFFA Variable Rate Composite Program (COMP Program). The bond proceeds were used to refinance its previously outstanding bank loan that was used to renovate its 40-bed senior housing residence. The bonds are payable in equal biannual installments of principal through July 2018 and are at a variable rate of interest (not to exceed 12%) that averaged 0.98% and 0.36% during 2012 and 2011, respectively. The bonds are secured by a letter of credit with a bank. The letter of credit is for approximately $305,000 and expires December 15, 2015. In May 2013, the term of the letter of credit was extended to July 1, 2018.

(e) In January 2008, the Center financed $3,500,000 through a NJHCFFA Tax Exempt Equipment Note. The proceeds were used for washers/dryers, furniture, IT equipment and new energy-related equipment such as chillers. Payments of principal and interest are due through January 2018 and are at a fixed interest rate of 3.60%. In January 2013, the Tax Exempt Equipment Note was refinanced to a fixed rate of 2.169% and supplemented with an additional borrowing of $400,000, used to purchase a new phone system.

(f) In December 2004, the Center entered into a $5,000,000 revolving construction loan (Construction Loan) with a bank for future expansion projects. Advances under the loan bear interest at an annual variable rate equal to 0.8% in excess of LIBOR with a minimum rate of 2.50% (2.50% at December 31, 2012 and 2011). The outstanding balance of the loan is due upon termination of the loan in 2015. At December 31, 2012, there was $2,125,000 available under this revolving construction loan.

The holders of the Series 2009 Bonds, the Series B Bonds, the COMP Program Series 2005 bonds, and the COMP Program bonds have the right to tender their bonds for purchase on a weekly basis. The reimbursement terms of the letters of credit securing these debt issuances are such that in the event that a bondholder demanded repayment on the bonds, and adequate funds are not available from the remarketing of such bonds, the Center would reimburse the letter of credit bank over a long-term period.

Under the terms of the various loan documents for its outstanding debt instruments, the Center is required to maintain certain financial ratios and comply with other restrictive financial covenants as described in the respective agreements. The Center was in compliance with the financial covenants at December 31, 2012 and 2011.

6. Long-Term Debt (continued)

Scheduled debt maturities are as follows:

	Series 2009 Bonds	Series B Bonds	COMP Program Series 2005	COMP Program	Tax Exempt Revenue Note	Construction Loan	Total
2013	$ 585,000	$ 300,000	$ 165,000	$ –	$ 344,702	$ –	$ 1,394,702
2014	620,000	300,000	170,000	100,000	355,340	–	1,545,340
2015	560,000	400,000	175,000	–	368,345	2,875,000	4,378,345
2016	605,000	400,000	180,000	100,000	381,826	–	1,666,826
2017	650,000	400,000	190,000	–	395,801	–	1,635,801
Thereafter	10,415,000	5,600,000	5,150,000	100,000	33,630	–	21,298,630
	$ 13,435,000	$ 7,400,000	$ 6,030,000	$ 300,000	$ 1,879,644	$ 2,875,000	$ 31,919,644

7. Line of Credit

The Center has a $1,000,000 revolving line of credit (the line) with a bank which expires September 18, 2013. The line is secured by the Center's accounts receivable. Advances under the line bear interest at an annual variable rate equal to the prime rate or an annual fixed rate equal to 1% in excess of LIBOR. At December 31, 2012 and 2011, there were no outstanding amounts under the line.

8. Pension Plans

Defined Benefit Plan

On January 1, 2000, the Center's Board of Trustees adopted a resolution to curtail the Center's defined benefit pension plan (the Plan) effective December 31, 1999. All participants in the Plan, as of 2005, are fully vested; however, no benefits will accrue for any service after December 31, 1999.

8. Pension Plans (continued)

The funded status of the Plan as recognized in the Center's combined balance sheets is as follows:

	December 31	
	2012	**2011**
Change in benefit obligation:		
Benefit obligation at beginning of year	**$ 12,629,107**	$ 11,174,903
Interest cost	**602,414**	598,511
Actuarial losses	**1,135,653**	1,409,490
Benefits paid	**(597,135)**	(553,797)
Benefit obligation at end of year	**13,770,039**	12,629,107
Change in plan assets:		
Fair value of plan assets at beginning of year	**4,765,723**	5,375,512
Actual return on plan assets	**406,556**	(155,992)
Employer contributions prior to measurement period	**100,000**	100,000
Benefits paid	**(597,135)**	(553,797)
Fair value of plan assets at end of year	**4,675,144**	4,765,723
Funded status of plan	**$ (9,094,895)**	$ (7,863,384)

The funded status of the pension plan is included in pension obligation and other liabilities in the combined balance sheets. The accumulated benefit obligation for the Center's pension plan totaled approximately $13,770,000 and $12,629,000 at December 31, 2012 and 2011, respectively.

At December 31, 2012 and 2011, there are approximately $7,480,000 and $6,927,000, respectively, of actuarial losses that have not yet been recognized in net periodic pension cost, but have been cumulatively recorded in unrestricted net assets. Approximately $950,000 of unrecognized actuarial loss is expected to be recognized in net periodic pension cost during the year ending December 31, 2013.

8. Pension Plans (continued)

The Center recorded net periodic pension cost as follows:

	Year Ended December 31	
	2012	**2011**
Interest cost on the projected benefit obligation	**$ 602,414**	$ 598,511
Expected return on plan assets	**(390,473)**	(445,710)
Net amortization and deferrals	**667,217**	510,533
Net periodic pension benefit cost	**$ 879,158**	$ 663,334

The following assumptions were used in determining the benefit obligations and net periodic benefit costs:

	2012	**2011**
Weighted-average assumptions used to determine benefit obligations at December 31:		
Discount rate	**4.20%**	4.90%
Weighted-average assumptions used to determine net periodic benefit cost for the year ended December 31:		
Discount rate	**4.90%**	5.50%
Expected long-term rate of return on plan assets	**8.75**	8.75

8. Pension Plans (continued)

The expected long-term rate of return on plan assets was selected by applying historical yields to the asset allocation of the Plan's portfolio. The table below provides the basis for the selection of the 8.75% expected long-term return on plan assets based on the investment policy and asset allocation in effect as of the beginning of the fiscal year:

Asset Category	Expected Net Rate of Return	Asset Allocation	Expected Net Rate of Return
Equities	10.50%	54%	5.68%
Debt securities	5.50	34	1.87
Other	10.00	12	1.20
		100%	8.75%

The Plan's investment policy is designed to achieve the following long-term investment objectives:

- To maintain or exceed a target funding level of 100% of the Plan's liabilities, defined as the market value of the portfolio assets as a percentage of the accumulated benefit obligation, and

- To achieve a long-term rate of return of 8.75%, as established by the Plan's actuarial consultant.

Recognizing that the pension liabilities are of a long-term nature, the objective is to achieve these goals over a three to five year timeframe.

The asset allocation guidelines and permissible ranges by asset category are as follows:

Asset Category	Guideline Allocation	Permissible Range
Equities	65%	Up to 65%
Debt securities	35	Not less than 30%
Other	–	Up to 10%

8. Pension Plans (continued)

The Plan's asset allocations by asset category are as follows:

	December 31	
	2012	**2011**
Equities	**59%**	59%
Corporate bonds	**32**	26
Other	**9**	15
	100%	100%

The Plan has received a favorable ruling from the Internal Revenue Service to operate as a church plan. Under church plan status, the Plan is not subject to many of the compliance provisions of the Employee Retirement Income Security Act of 1974 (ERISA), such as minimum funding levels. The Center makes contributions to the Plan based on the recommendations of its consulting actuary and subject to available cash resources. The Center expects to contribute $500,000 to the Plan in 2013. Also, benefits under the Plan are not covered by the Pension Benefit Guaranty Corporation.

The measurement date used to determine the pension amounts is December 31.

The benefit payments under the Plan are expected to be paid as follows:

2013	$ 642,141
2014	664,394
2015	673,192
2016	695,086
2017	717,982
2018-2022	4,086,772

8. Pension Plans (continued)

Defined Contribution Plan

Effective January 1, 2000, the Center adopted a defined contribution 401(k) plan (the 401(k) Plan). The 401(k) Plan provides for employer and employee contributions. Employees can make elective contributions to the 401(k) Plan of up to 17% of compensation. Employer contributions to the Plan consist of a regular contribution and a matching contribution. The regular employer contribution was equal to 2% of all eligible participants' total compensation until December 31, 2011. Effective January 1, 2012, the regular employer contribution rate is 1.5%. The matching employer contribution is equal to 50% of the employees' elective contribution up to a maximum of 2% of a participant's compensation. Pension expense under the 401(k) Plan was approximately $729,000 and $905,000 for the years ended December 31, 2012 and 2011, respectively.

9. Contingencies

Various lawsuits and claims arising in the normal course of operations are pending or on appeal against the Center. While the ultimate effect of such actions cannot be determined at this time, it is the opinion of management that litigation will not result in losses in excess of insurance coverage and will not materially affect the combined financial position or results of operations of the Center. No provision has been made in the accompanying financial statements for any deductibles or claims that have been incurred but not reported.

10. Net Assets

The Center's net assets are as follows:

	December 31	
	2012	**2011**
Unrestricted net assets:		
Unrestricted – general	**$ 20,862,952**	$ 19,852,346
Unrestricted – Employee Fund	**407,504**	366,007
Unrestricted net assets	**21,270,456**	20,218,353
Temporarily restricted net assets:		
Patient and resident activities	**–**	8,350
Residents assistance	**215,218**	204,622
Employee Fund	**–**	2,246
Temporarily restricted net assets	**215,218**	215,218
Permanently restricted net assets	**727,981**	727,981
Total net assets	**$ 22,213,655**	$ 21,161,552

The Center has internally designated certain unrestricted net assets for discretionary employee expenditures, such as employee events.

The Center expends the income distributed from permanently restricted related assets on an annual basis in support of benevolent purposes (2012 and 2011 distributions totaled approximately $5,000 and $6,000, respectively).

Foundation fundraising and contribution income is reported net of related expenses of approximately $394,000 in 2012 and $367,000 in 2011. Assets released from restrictions were approximately $107,000 in 2012 and $40,000 in 2011.

11. Concentrations of Credit Risk

The Center grants credit, under contractual arrangements, without collateral to its residents and patients, many of whom are from the northern New Jersey area and are insured under third-party payer agreements. Concentrations of gross accounts receivable from patients and third-party payers were as follows:

	December 31	
	2012	**2011**
Medicare	**35%**	38%
Medicaid	**29**	21
Self-pay patients and residents	**15**	16
Commercial and other insurance	**21**	25
	100%	100%

12. Functional Expenses

The Center provides general health care services to residents within its geographic area. Expenses related to providing these services are as follows:

	Year Ended December 31	
	2012	**2011**
Health care services	**$ 48,458,265**	$ 48,657,850
General and administrative	**19,896,501**	20,082,802
	$ 68,354,766	$ 68,740,652

13. Fair Value Measurements

For assets and liabilities required to be measured at fair value, the Center measures fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are applied based on the unit of account from the Center's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated).

The Center follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Center uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

13. Fair Value Measurements (continued)

Financial instruments (included in cash and cash equivalents, short-term investments (excluding amounts accounted for using the equity method of accounting) and assets limited to use) carried at fair value in the accompanying combined balance sheets are classified in the tables below in one of the three categories described above as of December 31, 2012 and 2011:

	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 6,761,457	$ –	$ –	$ 6,761,457
Certificate of deposit	430,747	–	–	430,747
Equity securities				
U S large cap	862,493	–	–	862,493
U S mid cap	120,060	–	–	120,060
Foreign equities	25,355	–	–	25,355
Fixed income				
Government bonds and GSE bonds	–	40,377	–	40,377
International	–	61,859	–	61,859
Mutual funds – equity				
U S large cap	691,959	–	–	691,959
U S mid cap	257,367	–	–	257,367
U S small cap	120,865	–	–	120,865
International developed equity	334,254	–	–	334,254
International emerging equity	299,770	–	–	299,770
Mutual funds – fixed income				
Government bonds	92,640	–	–	92,640
Corporate bonds	1,080,704	–	–	1,080,704
High yield bonds	192,191	–	–	192,191
International developed/emerging market bonds	306,237	–	–	306,237
Mutual funds – other				
Global public REITS	165,313	–	–	165,313
Commodities	164,907	–	–	164,907
Hedge strategies – diversified	40,043	–	–	40,043
Hedge strategies – conservative	48,260	–	–	48,260
	$ 11,994,622	$ 102,236	$ –	$ 12,096,858

13. Fair Value Measurements (continued)

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 4.562.551	$ –	$ –	$ 4.562.551
Certificate of deposit	426.712	–	–	426.712
Equity securities				
U S large cap	917.207	–	–	917.207
U S mid cap	105.394	–	–	105.394
Foreign equities	23.445	–	–	23.445
Fixed income				
Corporate bonds	–	16.257	–	16.257
Government bonds and GSE bonds	–	62.124	–	62.124
Mutual funds – equity				
U S large cap	863.677	–	–	863.677
U S mid cap	238.797	–	–	238.797
U S small cap	135.384	–	–	135.384
International developed equity	314.286	–	–	314.286
International emerging equity	261.313	–	–	261.313
Mutual funds – fixed income				
Corporate bonds	892.000	–	–	892.000
High yield bonds	191.153	–	–	191.153
International developed/emerging market bonds	377.056	–	–	377.056
Mutual funds – other				
Global public REITS	124.572	–	–	124.572
Realty Shares	19.367	–	–	19.367
Commodities	194.818		–	194.818
Hedge strategies – diversified	87.880	–	–	87.880
Hedge strategies – conservative	53.817	–	–	53.817
	$ 9.789.429	$ 78.381	$ –	$ 9.867.810

13. Fair Value Measurements (continued)

Assets invested in the Center's defined benefit pension plan, at fair value as of December 31, 2012, are classified in the tables below in one of the three categories described above:

	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 385,239	$ –	$ –	$ 385,239
Equity securities				
U S large cap	280,371	–	–	280,371
U S mid cap	35,112	–	–	35,112
Fixed income				
Government bonds	–	48,333	–	48,333
Mutual funds – equity				
U S large cap	1,313,904	–	–	1,313,904
U S mid cap	206,647	–	–	206,647
U S small cap	281,577	–	–	281,577
International developed equity	343,515	–	–	343,515
International emerging equity	302,927	–	–	302,927
Mutual funds – fixed income				
Corporate bonds	573,819	–	–	573,819
High yield bonds	293,523	–	–	293,523
Mutual funds – other				
Global fixed	151,988	–	–	151,988
Alternative investments				
Managed futures	–	–	278,918	278,918
Relative value	–	–	179,271	179,271
Total plan assets	$ 4,168,622	$ 48,333	$ 458,189	$ 4,675,144

13. Fair Value Measurements (continued)

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 415,441	$ –	$ –	$ 415,441
Equity securities				
U S large cap	482,925	–	–	482,925
U S mid cap	49,807	–	–	49,807
Foreign equities	15,297	–	–	15,297
Fixed income				
Corporate bonds	–	279,382	–	279,382
Government bonds	–	30,809	–	30,809
Mutual funds – equity				
U S large cap	1,139,206	–	–	1,139,206
U S mid cap	178,410	–	–	178,410
U S small cap	248,734	–	–	248,734
International developed equity	286,130	–	–	286,130
International emerging equity	247,193	–	–	247,193
Mutual funds – fixed income				
Corporate bonds	526,418	–	–	526,418
High yield bonds	253,292	–	–	253,292
Mutual funds – other				
Global fixed	141,567	–	–	141,567
Alternative investments				
Managed futures	–	–	294,699	294,699
Relative value	–	–	176,413	176,413
Total plan assets	$ 3,984,420	$ 310,191	$ 471,112	$ 4,765,723

13. Fair Value Measurements (continued)

Fair value for Level 1 is based on quoted market prices. Level 2 assets consist of certain fixed income securities for which the fair value at each year end is estimated based on quoted prices and other valuation considerations (e.g. credit quality and prevailing interest rates). Fair value for Level 3 assets within the pension plan is determined based on the net assets value of each fund.

Following is a rollforward of the amounts for the defined benefit plan's financial instruments classified by the Center in Level 3 of the valuation hierarchy defined above (in thousands):

	2012	2011
Fair value at January 1	**$ 471,112**	$ 290,282
Purchases	**–**	192,677
Total realized and unrealized gains or losses	**(12,923)**	(11,847)
Fair value at December 31	**$ 458,189**	$ 471,112
Change in unrealized gains related to financial instruments held at December, 31	**$ (12,923)**	$ (11,847)

The approximate fair value of the Center's long-term debt (not reported at fair value in the accompanying combined balance sheets) was $31,920,000 and $33,368,000 at December 31, 2012 and 2011, respectively. The fair value of the Center's long-term debt is based upon quoted market prices, when available, and other valuation considerations. Fair value of long-term debt is classified as Level 2 of the valuation hierarchy. The carrying value of long-term debt is $31,919,644 and $33,367,803 at December 31, 2012 and 2011, respectively.

14. Subsequent Events

Subsequent events have been evaluated through May 14, 2013, which is the date the combined financial statements were issued. Except as disclosed in Notes 4 and 6, no subsequent events have occurred that require disclosure in or adjustment to the combined financial statements.

Supplementary Information

Christian Health Care Center and Affiliates

Combining Balance Sheet

December 31, 2012

	Christian Health Care Center	Christian Health Care Center Foundation	Eliminations/ Reclassifications	Christian Health Care Center Consolidated	Holland Mutual Charitable Health Corporation	2012 Combined Total
Assets						
Current assets						
Cash and cash equivalents	$ 3,111,249	$ 1,018,326	$ –	$ 4,129,575	$ 318,507	$ 4,448,082
Short-term investments	2,278,108	–	–	2,278,108	3,689,457	5,967,565
Assets limited to use, current portion	1,111,740	–	–	1,111,740	–	1,111,740
Accounts receivable, net	7,926,011	–	–	7,926,011	–	7,926,011
Prepaid expenses and other current assets	685,240	–	–	685,240	–	685,240
Total current assets	15,112,348	1,018,326	–	16,130,674	4,007,964	20,138,638
Assets limited to use, less current portion	727,981	–	–	727,981	–	727,981
Other assets	2,132,846	–	–	2,132,846	–	2,132,846
Interest in the assets of the Foundation	1,018,326	–	(1,018,326)	–	–	–
Deferred financing costs, net	651,621	–	–	651,621	–	651,621
Property, plant and equipment, net	50,804,956	–	–	50,804,956	–	50,804,956
Total assets	$ 70,448,078	$ 1,018,326	$ (1,018,326)	$ 70,448,078	$ 4,007,964	$ 74,456,042
Liabilities and net assets						
Current liabilities						
Current portion of long-term debt	$ 1,394,702	$ –	$ –	$ 1,394,702	$ –	$ 1,394,702
Accounts payable and accrued expenses	2,809,335	–	–	2,809,335	50,000	2,859,335
Accrued payroll	2,480,851	–	–	2,480,851	–	2,480,851
Accrued interest	11,119	–	–	11,119	–	11,119
Estimated amounts due to third-party payers	441,665	–	–	441,665	–	441,665
Total current liabilities	7,137,672	–	–	7,137,672	50,000	7,187,672
Benefits payable	–	–	–	–	1,399,000	1,399,000
Pension obligation and other liabilities	13,130,773	–	–	13,130,773	–	13,130,773
Long-term debt, less current portion	30,524,942	–	–	30,524,942	–	30,524,942
Total liabilities	50,793,387	–	–	50,793,387	1,449,000	52,242,387
Net assets						
Unrestricted	18,711,492	1,018,326	(1,018,326)	18,711,492	2,558,964	21,270,456
Temporarily restricted	215,218	–	–	215,218	–	215,218
Permanently restricted	727,981	–	–	727,981	–	727,981
Total net assets	19,654,691	1,018,326	(1,018,326)	19,654,691	2,558,964	22,213,655
Total liabilities and net assets	$ 70,448,078	$ 1,018,326	$ (1,018,326)	$ 70,448,078	$ 4,007,964	$ 74,456,042

Christian Health Care Center and Affiliates

Combining Statement of Operations and Changes in Net Assets

Year Ended December 31, 2012

	Christian Health Care Center	Christian Health Care Center Foundation	Eliminations/ Reclassifications	Christian Health Care Center Consolidated	Holland Mutual Charitable Health Corporation	Eliminations/ Reclassifications	2012 Combined Total
Revenue							
Net patient service revenue less provision for bad debts	$ 67,838,729	$ –	$ –	$ 67,838,729	$ –	$ –	$ 67,838,729
Investment income on debt service funds	109,586	15	(109,338)	263	168,155	(168,155)	263
Fundraising activities, net	–	129,420	(129,420)	–	–	–	–
Estate bequests	6,053	177,704	(183,757)	–	–	–	–
Unrestricted gifts and contributions	–	644,819	(644,819)	–	–	–	–
Other revenue	690,319	–	–	690,319	12	(12)	690,319
Total revenue	68,644,687	951,958	(1,067,334)	68,529,311	168,167	(168,167)	68,529,311
Expenses							
Salaries and wages	40,041,602	247,569	(247,569)	40,041,602	–	–	40,041,602
Employee benefits	10,088,858	48,700	(48,700)	10,088,858	–	–	10,088,858
Supplies and other	14,309,599	44,907	(44,907)	14,309,599	23,690	(23,690)	14,309,599
Interest and amortization	517,903	–	–	517,903	–	–	517,903
Depreciation	3,396,804	–	–	3,396,804	–	–	3,396,804
Total expenses	68,354,766	341,176	(341,176)	68,354,766	23,690	(23,690)	68,354,766
Income from operations	289,921	610,782	(726,158)	174,545	144,477	(144,477)	174,545
Investment income and net realized gains and losses	–	–	109,338	109,338	–	144,477	253,815
Estate bequests	–	–	183,757	183,757	–	–	183,757
Foundation fundraising and contributions, net	–	–	433,063	433,063	–	–	433,063
Contribution from (to) affiliate	117,573	(117,573)	–	–	–	–	
Net change in unrealized gains and losses on investments	222,260	–	–	222,260	237,016	–	459,276
Excess of revenue over expenses	629,754	493,209	–	1,122,963	381,493	–	1,504,456
Change in pension liability	(452,353)	–	–	(452,353)	–	–	(452,353)
Net change in interest in Foundation assets	493,209	–	(493,209)	–	–	–	–
Change in unrestricted net assets	670,610	493,209	(493,209)	670,610	381,493	–	1,052,103
Change in temporarily and permanently restricted net assets	–	–	–	–	–	–	–
Increase in net assets	670,610	493,209	(493,209)	670,610	381,493	–	1,052,103
Net assets at beginning of year	18,984,081	525,117	(525,117)	18,984,081	2,177,471	–	21,161,552
Net assets at end of year	$ 19,654,691	$ 1,018,326	$ (1,018,326)	$ 19,654,691	$ 2,558,964	$ –	$ 22,213,655

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