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Part III

Statement of Program Service Accomplishments (See the instructions.)

1

Briefly describe the organization’s mission

See Additional Data Table

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

☒

No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting or make significant changes in how it conducts any program services?

Yes

☒

No

If “Yes,” describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 10,182,689 including grants of \$ 0) (Revenue \$ 13,225,451)

Pinnacle Health System is engaged in and conducts charitable, educational, and scientific activities through the support and benefit of Pinnacle Health Foundation, and provides management and consultative services to affiliated entities that qualify for federal income tax exemption under code section 501(C)(3)

4b

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

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 \$ 10,182,689

Must equal Part IX, Line 25, column (B).

Form 990 (2008)

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> 	3	No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i> 	4	Yes
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	5	
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> 	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? <i>If "Yes," complete Schedule D, Part II</i>	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> 	9	No
10	Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> 	10	No
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i> 	11	Yes
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i> 	12	No
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the U S?	14a	Yes
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S? <i>If "Yes," complete Schedule F, Part I</i> 	14b	Yes
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i> 	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? <i>If "Yes," complete Schedule F, Part III</i> 	16	No
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>	17	No
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	No
19	Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	No
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	20	No
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	No
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i> 	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? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25</i>	24a	No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
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	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> 	25a	No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i> 	25b	No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> 	26	No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> 	27	No

Part IV Checklist of Required Schedules *(Continued)*

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i> 	28a Yes	
b Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i> 	28b	No
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i> 	28c	No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> 	33 Yes	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> 	34 Yes	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> 	35	No
36 501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> 	36	No
37 Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> 	37	No

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a360		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a66		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? . . . Note: <i>If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		
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	Yes	
b	If "Yes," enter the name of the foreign country <u>BD</u> See the instructions for exceptions and 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 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	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 provide goods or services in exchange for any quid pro quo contribution of \$75 or more?	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, during the year, 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	For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	Section 501(c)(3) and other 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		

Part VI

Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

1a

Enter the number of voting members of the governing body

1a

21

1b

Enter the number of voting members that are independent

1b

19

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 organizational documents since the prior Form 990 was filed?

4

No

5

Did the organization become aware during the year of a material diversion of the organization's assets?

5

No

6

Does the organization have members or stockholders?

6

No

7a

Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?

7a

No

7b

Are any decisions of the governing body subject to approval by members, stockholders, or other persons?

7b

No

8

Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

8a

the governing body?

8a

Yes

8b

each committee with authority to act on behalf of the governing body?

8b

Yes

9a

Does the organization have local chapters, branches, or affiliates?

9a

No

9b

If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?

9b

10

Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990

10

Yes

11

Is there any officer, director or 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

11

No

Section B. Policies

12a

Does the organization have a written conflict of interest policy? If "No", go to line 13

12a

Yes

12b

Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

12b

Yes

12c

Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done

12c

Yes

13

Does the organization have a written whistleblower policy?

13

Yes

14

Does 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

15a

The organization's CEO, Executive Director, or top management official?

15a

Yes

15b

Other officers or key employees of the organization?

15b

Yes

Describe the process in Schedule O

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

16b

If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken 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

PA

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 make these available. Check all that apply.
☐ own website ☐ another's website ☒ upon request

19

Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.

20

State the name, physical address, and telephone number of the person who possesses the books and records of the organization.
William H Pugh
409 SOUTH SECOND STREET
HARRISBURG, PA 171058700
(717) 231-8245

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

☐ Check this box if the organization did not compensate any officer, director, trustee or key employee

Form 990 (2008)

Part VII

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total								3,471,572	201,600	715,853

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **21**

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

(A) Name and business address	(B) Description of services	(C) Compensation
Granary Associates Inc 411 North 20th Street Philadelphia, PA 19130	Architectural Svcs	867,159
DGA Partner Inc Two Bala Plaza Suite 301 Bala Cynwyd, PA 19004	consulting services	436,015
Pricewaterhouse Coopers LLP One South Market Square Harrisburg, PA 17101	Accounting/Auditing	235,000
McNees Wallace and Nurick LLC PO Box 1166 Harrisburg, PA 17108	Legal services	184,288
Feinberg Shopp Associates LLC 6328 Stephens Crossing Mechanicsburg, PA 17050	Government relations svcs	175,895

2	Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization	0
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Part VIII

Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 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			
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above				
			1f			
g	Noncash contributions included in lines 1a-1f \$					
h	Total (Add lines 1a-1f)					
Program Service Revenue	2a	Management & Support	Business Code 624,100	13,225,451	13,225,451	
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f				
		\$ 13,225,451				
Other Revenue	3	Investment income (including dividends, interest other similar amounts)		3,386,821		3,386,821
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
	6a	(i) Real				
		(ii) Personal				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)				
	7a	(i) Securities				
		(ii) Other				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss)		-3,993,253		-3,993,253
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000				
		a				
	b	Less direct expenses				
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000				
		a				
	b	Less direct expenses				
	c	Net income or (loss) from gaming activities				
10a	Gross sales of inventory, less returns and allowances					
	a					
b	Less cost of goods sold					
c	Net income or (loss) from sales of inventory					
	Miscellaneous Revenue		Business Code			
11a	MISCELLANEOUS INCOME		900,099	43,235		43,235
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d					
	\$ 43,235					
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			12,662,254	13,225,451	0
						-563,197

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).					
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,421,592	1,436,922	984,670	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	5,133,682	3,822,743		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	534,025	308,720	225,305	
9	Other employee benefits	530,652	465,581	65,071	
10	Payroll taxes	368,664	282,296	86,368	
11	Fees for services (non-employees)				
a	Management				
b	Legal	295,645		295,645	
c	Accounting	275,364		275,364	
d	Lobbying	184,943	184,943		
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	155,744	155,744		
g	Other	2,076,005	2,076,005		
12	Advertising and promotion	57,132	57,132		
13	Office expenses	267,697	267,697		
14	Information technology	131,676	131,676		
15	Royalties				
16	Occupancy	68,147	68,147		
17	Travel	95,303	95,303		
18	Payments of travel or entertainment expenses for any Federal, state or local public officials				
19	Conferences, conventions and meetings	119,652	119,652		
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	33,327	33,327		
23	Insurance	169,464	169,464		
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Dues and Subscriptions	507,337	507,337		
b					
c					
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	13,426,051	10,182,689	3,243,362	0
26	Joint Costs. Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year		
Assets	1	Cash—non-interest-bearing	480	1	352	
	2	Savings and temporary cash investments	3,674,528	2	13,355,481	
	3	Pledges and grants receivable, net		3		
	4	Accounts receivable, net	303,180	4	24,823	
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5		
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6		
	7	Notes and loans receivable, net		7		
	8	Inventories for sale or use		8		
	9	Prepaid expenses and deferred charges	214,883	9	230,683	
	10a	Land, buildings, and equipment cost basis				
		10a	2,287,330			
	b	Less accumulated depreciation <i>Complete Part VI of Schedule D</i>				
		10b	2,057,301	111,335	10c	230,029
	11	Investments—publicly traded securities	87,756,451	11	83,556,127	
	12	Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>	23,952,799	12	26,767,255	
	13	Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>	401,885	13	431,171	
14	Intangible assets		14			
15	Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>	654,858	15	2,591,091		
16	Total assets. Add lines 1 through 15 (must equal line 34)	117,070,399	16	127,187,012		
Liabilities	17	Accounts payable and accrued expenses	7,016,563	17	2,630,683	
	18	Grants payable		18		
	19	Deferred revenue		19		
	20	Tax-exempt bond liabilities		20		
	21	Escrow account liability <i>Complete Part IV of Schedule D</i>		21		
	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>		22		
	23	Secured mortgages and notes payable to unrelated third parties		23		
	24	Unsecured notes and loans payable		24		
	25	Other liabilities <i>Complete Part X of Schedule D</i>		25		
	26	Total liabilities. Add lines 17 through 25	7,016,563	26	2,630,683	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets	110,053,836	27	124,556,329	
	28	Temporarily restricted net assets		28		
	29	Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117, 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	110,053,836	33	124,556,329	
	34	Total liabilities and net assets/fund balances	117,070,399	34	127,187,012	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ cash ☒ accrual ☐ other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	No
b	Were the organization's financial statements audited by an independent accountant?	2b	No
c	If "Yes" to lines 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	
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?	3b	

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization PINNACLE HEALTH SYSTEM	Employer identification number 25-1778658
--	--

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

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).** (Attach Schedule H)

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).** (See instructions)

11

☒

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

a

☐

Type I

b

☐

Type II

c

☒

Type III - Functionally Integrated

d

☐

Type III - Other

e

☒

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

f

☐

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

g

☐

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

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the organizations the organization supports

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (See Instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
pinnacle health hospitals	251778644	Line 3		No	Yes		Yes		11153287
pinnacle health medical services	251709054	Line 3		No	Yes		Yes		1563784
Community Life Team	231890444	Line 9		No	Yes		Yes		60000
Pinnacle Health foundation	222691718	Line 11,II		No	Yes		Yes		446926
Total									13,223,997

Part II

Support Schedule for Organizations Described in IRC 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.)

Public Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 Public Support subtract line 5 from line 4						

Total Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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						☐

Computation of Public Support Percentage						
14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f					15	
16a 33 1/3% Test - 2008. 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% Test - 2007. If the organization did not check the 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 - 2008. 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 - 2007. 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 the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions						☐

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total Add lines 1-5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
cTotal of lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Total Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13Total Support (Add lines 9, 10c, 11 and 12)						
14First 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						

Computation of Public Support Percentage			
15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15	
16	Public Support Percentage for 2007 Schedule A, Part IV -A, line 27g	16	

Computation of Investment Income Percentage			
17	Investment Income Percentage for 2008 (line 10c column (f) divided by line 13 column (f))	17	
18	Investment Income Percentage from 2007 Schedule A, Part IV -A, line 27h	18	
19a	33 1/3% Tests - 2008. 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% Tests - 2007. 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 information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

OMB No 1545-0047

2008

Open to Public Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)

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

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990EZ, Part VI, line 47 (Lobbying Activities)

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) complete Part II-A Do not complete Part II-B
 - Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A
- If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax)
- Section 501(c)(4), (5), or (6) organizations complete Part III

Name of the organization PINNACLE HEALTH SYSTEM	Employer identification number 25-1778658
--	--

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations. (See the instructions for Schedule C for details.)

- 1

Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2

Political expenditures

\$
- 3

Volunteer hours

Part I-B To be completed by all organizations exempt under section 501(c)(3). (See the instructions for Schedule C for details.)

- 1

Enter the amount of any excise tax incurred by the organization under section 4955

\$
- 2

Enter the amount of any excise tax incurred by organization managers under section 4955

\$
- 3

If the organization incurred in a section 4955 tax, did it file Form 4720 for this year?

☐ Yes

☐ No
- 4a

Was a correction made?

☐ Yes

☐ No
- b

If "Yes," describe in Part IV

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3). (See the instructions for Schedule C for details.)

- 1

Enter the amount directly expended by the filing organization for section 527 exempt function activities

\$
- 2

Enter the amount of the filing organization's internal funds contributed to other organizations for section 527 exempt funtion activities

\$
- 3

Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b

\$
- 4

Did the filing organization file **Form 1120-POL** for this year?

☐ Yes

☐ No
- 5

State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV

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

Part II-A

To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). (See the instructions for Schedule C for details.)

A

Check

☒

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)	0	0
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	184,943	184,943
c	Total lobbying expenditures (add lines 1a and 1b)	184,943	184,943
d	Other exempt purpose expenditures	9,997,746	526,297,830
e	Total exempt purpose expenditures (add lines 1c and 1d)	10,182,689	526,482,773
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns— If the amount on line 1e, column (a) or (b) is: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$17,000,000 Over \$17,000,000 The lobbying nontaxable amount is: 20% of the amount on line 1e \$100,000 plus 15% of the excess over \$500,000 \$175,000 plus 10% of the excess over \$1,000,000 \$225,000 plus 5% of the excess over \$1,500,000 \$1,000,000	659,134	1,000,000
g	Grassroots nontaxable amount (enter 25% of line 1f)	164,784	250,000
h	Subtract line 1g from line 1a. Enter -0- if line g is more than line a	0	0
i	Subtract line 1f from line 1c. Enter -0- if line f is more than line c	0	0
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	☐ Yes ☐ No	

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	190,509	214,694	197,157	184,943	787,303
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line d, column (e))					1,500,000
f Grassroots lobbying expenditures					

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

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

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** (See the instructions for Schedule C for details.)

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

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** (See the instructions for Schedule C for details.)

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

Part IV **Supplemental Information**

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

Identifier	Return Reference	Explanation

Explanation

[illegible]

SCHEDULE D
(Form 990)

Supplemental Financial Statements

Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
PINNACLE HEALTH SYSTEM

Employer identification number
25-1778658

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 may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other 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 pleasure)☐ Preservation of an historically importantly land area☐ Protection of natural habitat☐ Preservation of certified historic structure☐ Preservation of open space

2

Complete lines 2a–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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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, violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year ▶

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

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

1a

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

b

If the organization elected, as permitted under SFAS 116, 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 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 accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Trust, 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 why in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

(ii)

related organizations

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		2,035,483	1,808,478	227,005
e Other		251,847	248,823	3,024
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				230,029

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other investment in United Health Risk, Ltd	8,755,969	C
Other investment in United Central PA Reciprocal Risk Retention Group	18,011,286	C
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	26,767,255	

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)		

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	

Schedule D (Form 990) 2008

Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	12,662,254
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	13,426,051
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-763,797
4	Net unrealized gains (losses) on investments	4	-7,008,785
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	22,275,075
9	Total adjustments (net) Add lines 4 - 8	9	15,266,290
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	14,502,493

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	8,122,322
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-7,008,785
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	2,816,077
e	Add lines 2a through 2d	2e	-4,192,708
3	Subtract line 2e from line 1	3	12,315,030
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	155,744
b	Other (Describe in Part XIV)	4b	191,480
c	Add lines 4a and 4b	4c	347,224
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	12,662,254

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	13,270,307
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	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	13,270,307
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	155,744
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	155,744
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	13,426,051

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
Part X	Description of Uncertain Tax Positions Under FIN 48	Effective July 1, 2007, the System adopted FASB Interpretation No 48, Accounting for Uncertainty in Income Taxes ("FIN 48"), which required the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in an unrelated business activity tax return and disclosures regarding uncertainties in tax positions No Adjustments to the consolidated financial statements were required as a result of the adoption of FIN 48
Part XI, Line 8 - Other Adjustments		Equity method income on insurance sub filing form 1120-Pc (EIN#13-4224033) 2215093 Equity method income United Health Risk LTD 407883 Fund balance transfer from Pinnacle Health Hospital 30680022 Fund balance transfer to Pinnacle health Medical Services -9932266 Fund Balance transfer to Community Life Team -447618 Fund balance transfer to Pinnacle Health Home Care & Hospice -648039
Part XII, Line 2d - Other Adjustments		Equity method income on insurance sub filing form 1120-Pc (EIN#13-4224033) 2215093 equity method income on foreign sub filing form 5471 (EIN#25-1778658 599363 net assets released from restrictions through related entities 1621
Part XII, Line 4b - Other Adjustments		interest income from foreign subsidiary filing form 5471 191480

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2008
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 Inspection**

▶ Attach to Form 990. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

Employer identification number
25-1778658

1	For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance	☐ Yes	☐ No
2	For grant makers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States		
3	Activities per Region (Use Schedule F-1 (Form 990) if additional space is needed)		

For Paperwork Reduction Act Notice, see the instructions for Form 990. Cat No 50082W Schedule F (Form 990) 2008

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000 ☐ ☐
Use Schedule F-1 if additional space is needed.

[illegible]

2 Enter total number of organizations that are recognized as charities by the foreign country or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶

3 Enter total number of other organizations or entities ►

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

Schedule F (Form 990) 2008

Software ID:
Software Version:
EIN: 25-1778658
Name: PINNACLE HEALTH SYSTEM

Form 990 Schedule F Part II - Grants and Other Assistance to Organizations or Entities Outside The United States

(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
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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

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

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Open to Public Inspection

Name of the organization
PINNACLE HEALTH SYSTEM

Employer identification number
25-1778658

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account	☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all 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 organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations	☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
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	Yes	
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			
	501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.			
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 accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		No

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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				
ROGER LONGENDERFER MD	(i) (ii)	561,821	285,177	32,899	337,815	51,985	1,269,697	500,086
William H Pugh	(i) (ii)	293,362	69,163	8,262	347	28,286	399,420	169,104
CHRISTOPHER P MARKLEY ESQ	(i) (ii)	255,164	91,302	5,111	15,169	31,288	398,034	145,899
RICHARD C SENECA ESQ	(i) (ii)	201,600					201,600	
PHILIP GUARNESCHELLI	(i) (ii)	344,957	134,993	35,502	15,169	43,968	574,589	230,947
DANA KELLIS	(i) (ii)	325,968	128,090	4,453	14,927	51,832	525,270	204,404
COREY RIGBERG	(i) (ii)	231,082	72,412		15,209	29,801	348,504	137,391
Nirmal Joshi	(i) (ii)	219,717	71,001	7,988	11,958	32,897	343,561	144,857
Steve roth	(i) (ii)	207,930	81,830	3,388	9,107	26,095	328,350	130,776
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							

Software ID:

Software Version:

EIN: 25-1778658

Name: PINNACLE HEALTH SYSTEM

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				
ROGER LONGENDERFER MD	(i) (ii)	561,821	285,177	32,899	337,815	51,985	1,269,697	500,086
William H Pugh	(i) (ii)	293,362	69,163	8,262	347	28,286	399,420	169,104
CHRISTOPHER P MARKLEY ESQ	(i) (ii)	255,164	91,302	5,111	15,169	31,288	398,034	145,899
RICHARD C SENECA ESQ	(i) (ii)	201,600					201,600	
PHILIP GUARNESCHELLI	(i) (ii)	344,957	134,993	35,502	15,169	43,968	574,589	230,947
DANA KELLIS	(i) (ii)	325,968	128,090	4,453	14,927	51,832	525,270	204,404
COREY RIGBERG	(i) (ii)	231,082	72,412		15,209	29,801	348,504	137,391
Nirmal Joshi	(i) (ii)	219,717	71,001	7,988	11,958	32,897	343,561	144,857
Steve roth	(i) (ii)	207,930	81,830	3,388	9,107	26,095	328,350	130,776

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38b or 40b.

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2008

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Inspection

Name of the organization
PINNACLE HEALTH SYSTEM

Employer identification number

25-1778658

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

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$ _____										

Part III Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
John Campbell Administrative VP of	Board Director	103,812	Investment management services provided by M & T Bank		No

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No 1545-0047
2008
Open to Public Inspection

Name of the organization
PINNACLE HEALTH SYSTEM

Employer identification number
25-1778658

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		The authority and responsibility for review of the Form 990 for Pinnacle Health System and associated subsidiaries, shall be delegated to the Finance and Audit Committee of the System Board In order to accomplish this, all members of the Finance and Audit Committee shall be provided with a reasonable opportunity to review and comment to executive leadership on the IRS Form 990's of the Pinnacle Health System and its subsidiaries, including Pinnacle Health Hospitals, Pinnacle Health Medical Services, Pinnacle Health Foundation, Pinnacle Health HomeCare and Hospice and Community Life Team before they are filed with the Internal Revenue Service In addition, each member of each respective Board of Directors will be given access to view their individual Form 990 via a shared, password-protected website

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		In the performance of their duties to Pinnacle Health System and subsidiaries (collectively referred to as "PHS"), covered persons shall seek to act in the best interests of PHS, and shall exercise good faith, loyalty, diligence and honesty A covered person is any individual who serves in a fiduciary capacity to, or who has legal authority to represent or obligate, the Pinnacle Health System or any of its affiliated organizations including, but not limited to, directors, officers, employees, and agents Covered persons also include a) immediate families (spouses, children, siblings, parents, or spouse's parents), b) any organization in which they or their immediate families directly or indirectly i) have a material financial or beneficial interest, or ii) serve as a director, officer, employee, agent, attorney or similar capacity A covered person shall disclose any business or personal interests or relationships which may be in conflict with the interest of PHS, including, but not limited to (a) engaging in or seeking to be engaged in (i) the delivery of health care services or (ii) the delivery of goods or services to PHS, or (b) any transaction or arrangement with PHS which would result in benefit to covered persons Covered persons who are Directors must comply with the Pinnacle Health System Guidelines for determining director independence and applying director independence requirements Covered persons with a conflict of interest shall not vote on the matter, and the PHS Board or committee must approve, authorize, or ratify the transaction or arrangement by a majority vote of the non-interested directors or committee members present at a meeting that has a quorum Violations of this statement of policy may subject covered persons to appropriate sanctions, including removal from their positions with PHS

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		The compensation committee of the Pinnacle health System ("PHS") Board of Directors has the authority to develop and maintain executive and physician compensation to be approved by the Pinnacle Health System Board The compensation committee will follow a diligent process that meets regulatory requirements for a rebuttable presumption of a reasonableness and promotes effective governance of executive compensation, consistent with the PHS's compensation philosophy 1 Follow a process that establishes and maintains a rebuttable presumption of reasonableness for all executives and physicians potentially subject to intermediate sanctions 2 Prepare minutes for each meeting to record the terms of the committee's decisions and the process followed in reaching those decisions These minutes must include indications that the committee is following good practices in dealing with conflicts of interest and in obtaining and relying on appropriate comparability data on total compensation 3 Select and directly engage and supervise any consultant hired by PHS to advise the committee on executive and physician compensation 4 Periodically evaluate the appropriateness of this charter and the effectiveness of the process the committee uses in governing executive and physician compensation and report this evaluation to the board 5 Provide the Board with an annual report on the committee's actions 6 monitor changes in laws and regulations pertaining to executive compensation and benefits to see that PHS complies with them 7 Seek outside review of committee operations to ensure compliance with the IRS rebuttable presumption of reasonableness 8 Review actual executive compensation and benefits provided to confirm consistency with compensation and benefits approved by the committee

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		The organization does not make its governing documents or conflict of interest policy available for public inspection as this is not required by federal or state law The organization includes a copy of its financial statements with the state registration filed with the Pennsylvania Department of State, Bureau of Charitable Organizations These documents are a matter of public record and can be viewed at the bureau office

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 2b and 2c		Pinnacle Health System was included in the audited Consolidated Financial Statements and Supplemental Data for Pinnacle Health System and its subsidiaries The Finance and Audit Committee of the Board assumes the responsibility for the oversight of the audit and the selection of the independent accountant

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A		The following officers, directors and highly compensated employees have worked an average of 40 hours per week for Pinnacle Health Systems, the parent company, and all related organizations Roger Longenderfer, MD Christopher P Markley Richard C Seneca, Esq William H Pugh Philip Guarneschelli Dana Kellis Corey Rigberg Steve Roth Nirmal Joshi

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2008

Open to Public Inspection

▶ Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ See separate instructions.

Name of the organization PINNACLE HEALTH SYSTEM	Employer identification number 25-1778658
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Part I

Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
UNITED HEALTH RISK LTD CEDERHOUSE 41 CEDAR AVENUE HAMILTON, Bermuda HM JX BD 25-1778658	Captive Insurance	BD	191,480	0	N/A
Pinnacle Health Emergency Department Services LLC 409 South Second Street PO Box 8700 Harrisburg, PA 171041612 86-1057582	Medical emergency services	PA	0	0	Pinnacle health Hospitals
Pinnacle Health Cumberland Condominium Association 409 South Second Street PO Box 8700 harrisburg, PA 171058700 20-8977427	Condominium Association	PA	0	0	Pinnacle health Hospitals

Part II

Identification of Related Tax-Exempt Organizations

(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
Pinnacle Health Medical Services 409 South Second Street PO Box 8700 Harrisburg, PA171058700 25-1709054	Physician services	PA	501(C)(3)	Line 3	N/A
Pinnacle Health Home Care and Hospice 409 South Second Street PO Box 8700 harrisburg, PA171058700 23-2024121	Skilled homecare services and services to terminally ill	PA	501(C)(3)	Line 3	Pinnacle Health Hospitals
Pinnacle Health Hospitals 409 South Second Street PO Box 8700 harrisburg, PA171058700 25-1778644	inpatient and outpatient healthcare services	PA	501(C)(3)	Line 3	N/A
Pinnacle Health Foundation 409 South Second Street PO Box 8700 harrisburg, PA171058700 22-2691718	investment and fundraising activities for related tax-exempt organization	PA	501(C)(3)	Line 11, Type II	N/A
Community Life Team 409 South Second Street PO Box 8700 harrisburg, PA171058700 23-1890444	medical transport services	PA	501(C)(3)	Line 9	N/A

Part III Identification of Related Organizations Taxable as a Partnership

(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, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No
Central Pennsylvania MRI Center 1714 N Second Street Harrisburg, PA17102 23-2411259	Health services	PA	N/A								
Valley Green Medical Park 409 South Second Street PO Box 8700 Harrisburg, PA171058700 25-1599794	Health services	PA	N/A								
West Shore Surgery Center 409 South Second Street PO Box 8700 harrisburg, PA171058700 25-1821415	Surgical care - medical services	PA	N/A								

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(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
United Central PA Risk Retention Group 76 St Paul St Suite 500 Bulington, VT054014477 13-4224033	Captive Insurance	VT	N/A	C	108,269	21,402,453	100 000 %

Part V

Transactions with Related Organizations

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

Yes

Yes

Yes

Yes

No

Yes

Yes

Yes

Yes

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(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1) Pinnacle Health Hospitals	C	30,680,022
(2) Pinnacle Health Medical Services	B	9,932,266
(3) Community Life Team	B	447,618
(4) Pinnacle Health Home Care & Hospice	B	648,039
(5)		
(6)		

Schedule R (Form 990) 2008

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.

[illegible]

TY 2008 Affiliated Group Schedule**Name:** PINNACLE HEALTH SYSTEM**EIN:** 25-1778658**Affiliated Group Business Name:**

Pinnacle Health System

**Address. Either US or Foreign
Type:**409 S Second Street PO box 8700
Harrisburg, PA 17105**EIN:**

25-1778658

Electing Organization Checkbox:**Total Grassroots Lobbying:** 0**Total Direct Lobbying:** 184,943**Total Lobbying Expenditures:** 184,943**Other Exempt Purpose
Expenditures:** 9,997,746**Total Exempt Purpose
Expenditures:** 10,182,689**Lobbying Nontaxable Amount:** 659,134**Grassroots Nontaxable Amount:** 164,784**Tot Lobbying Grassroot Minus Non
Tx:** 0**Tot Lobby Expend Mns Lobbying
Non Tx:** 0**Share Of Excess Lobbying:** 0

TY 2008 Affiliated Group Schedule**Name:** PINNACLE HEALTH SYSTEM**EIN:** 25-1778658**Affiliated Group Business Name:**

Pinnacle Health Hospital

**Address. Either US or Foreign
Type:**409 S Second Street PO box 8700
harrisburg, PA 17105**EIN:**

25-1778644

Electing Organization Checkbox:**Total Grassroots Lobbying:** 0**Total Direct Lobbying:** 0**Total Lobbying Expenditures:** 0**Other Exempt Purpose
Expenditures:** 462,361,605**Total Exempt Purpose
Expenditures:** 462,361,605**Lobbying Nontaxable Amount:** 1,000,000**Grassroots Nontaxable Amount:** 250,000**Tot Lobbying Grassroot Minus Non
Tx:** 0**Tot Lobby Expend Mns Lobbying
Non Tx:** 0**Share Of Excess Lobbying:** 0

TY 2008 Affiliated Group Schedule**Name:** PINNACLE HEALTH SYSTEM**EIN:** 25-1778658**Affiliated Group Business Name:**

Pinnacle Health Home Care and Hospice

**Address. Either US or Foreign
Type:**409 S Second Street PO box 8700
harrisburg, PA 17105**EIN:**

23-2024121

Electing Organization Checkbox:**Total Grassroots Lobbying:** 0**Total Direct Lobbying:** 0**Total Lobbying Expenditures:** 0**Other Exempt Purpose
Expenditures:** 12,805,669**Total Exempt Purpose
Expenditures:** 12,805,669**Lobbying Nontaxable Amount:** 790,283**Grassroots Nontaxable Amount:** 197,571**Tot Lobbying Grassroot Minus Non
Tx:** 0**Tot Lobby Expend Mns Lobbying
Non Tx:** 0**Share Of Excess Lobbying:** 0

TY 2008 Affiliated Group Schedule**Name:** PINNACLE HEALTH SYSTEM**EIN:** 25-1778658**Affiliated Group Business Name:**

Pinnacle health Medical Services

**Address. Either US or Foreign
Type:**409 S Second Street PO box 8700
harrisburg, PA 17105**EIN:**

25-1709054

Electing Organization Checkbox:**Total Grassroots Lobbying:** 0**Total Direct Lobbying:** 0**Total Lobbying Expenditures:** 0**Other Exempt Purpose
Expenditures:** 34,515,492**Total Exempt Purpose
Expenditures:** 34,515,492**Lobbying Nontaxable Amount:** 1,000,000**Grassroots Nontaxable Amount:** 250,000**Tot Lobbying Grassroot Minus Non
Tx:** 0**Tot Lobby Expend Mns Lobbying
Non Tx:** 0**Share Of Excess Lobbying:** 0

TY 2008 Affiliated Group Schedule**Name:** PINNACLE HEALTH SYSTEM**EIN:** 25-1778658**Affiliated Group Business Name:**

Pinnacle Health Foundation

**Address. Either US or Foreign
Type:**409 S Second Street PO box 8700
harrisburg, PA 17105**EIN:**

22-2691718

Electing Organization Checkbox:**Total Grassroots Lobbying:** 0**Total Direct Lobbying:** 0**Total Lobbying Expenditures:** 0**Other Exempt Purpose
Expenditures:** 2,092,099**Total Exempt Purpose
Expenditures:** 2,092,099**Lobbying Nontaxable Amount:** 254,605**Grassroots Nontaxable Amount:** 63,651**Tot Lobbying Grassroot Minus Non
Tx:** 0**Tot Lobby Expend Mns Lobbying
Non Tx:** 0**Share Of Excess Lobbying:** 0

TY 2008 Affiliated Group Schedule**Name:** PINNACLE HEALTH SYSTEM**EIN:** 25-1778658**Affiliated Group Business Name:**

Community Life Team

**Address. Either US or Foreign
Type:**1119 South Cameron Street
harrisburg, PA 171042532**EIN:**

23-1890444

Electing Organization Checkbox:**Total Grassroots Lobbying:** 0**Total Direct Lobbying:** 0**Total Lobbying Expenditures:** 0**Other Exempt Purpose
Expenditures:** 3,279,229**Total Exempt Purpose
Expenditures:** 3,279,229**Lobbying Nontaxable Amount:** 313,961**Grassroots Nontaxable Amount:** 78,490**Tot Lobbying Grassroot Minus Non
Tx:** 0**Tot Lobby Expend Mns Lobbying
Non Tx:** 0**Share Of Excess Lobbying:** 0

**TY 2008 Earnings and Profits Other
Adjustments Statement**

Name: PINNACLE HEALTH SYSTEM
EIN: 25-1778658

Description	Amount
sec 831(B) election adjustment	-375,689

**TY 2008 Itemized Other Current Assets
Schedule****Name:** PINNACLE HEALTH SYSTEM**EIN:** 25-1778658

Corporation Name	Corporation EIN	Other Current Assets Description	Beginning Amount	Ending Amount
		ACCRUED INVESTMENT INCOME	51,417	37,092
		premiums receivable	445,375	407,000
		PREPAID EXPENSES	2,945	3,866

TY 2008 Other Deductions Schedule

Name: PINNACLE HEALTH SYSTEM

EIN: 25-1778658

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
professional fees		96,753

TY 2008 Itemized Other Investments Schedule

Name: PINNACLE HEALTH SYSTEM

EIN: 25-1778658

Corporation Name	Corporation EIN	Other Investments Description	Beginning Amount	Ending Amount
		SHORT-TERM INVESTMENTS	8,375,340	9,745,406

TY 2008 Itemized Other Liabilities Schedule

Name: PINNACLE HEALTH SYSTEM

EIN: 25-1778658

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
		UNEARNED PREMIUM RESERVE	502,125	473,750
		OUTSTANDING LOSS RESERVES	78,627	984,089
		other payable	309,812	0
		losses payable	31,176	0

TY 2008 Other Income Statement**Name:** PINNACLE HEALTH SYSTEM**EIN:** 25-1778658

Description	Foreign Amount	Amount
NET UNDERWRITING PREMIUMS		472,442
Amortization-marketable investments		-20,452

Additional Data

Software ID:

Software Version:

EIN: 25-1778658

Name: PINNACLE HEALTH SYSTEM

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
PAUL B SHANNON , Chairman	1 00	X		X				0	0	0
Cynthia T Tolsma , Vice-Chairman	40	X		X				0	0	0
JOHN O CAMPBELL , DIRECTOR	80	X						0	0	0
SUSAN S COHEN , DIRECTOR	40	X						0	0	0
FELIX GUTIERREZ MD , DIRECTOR	20	X						0	0	0
M RICHARD KLEIMAN , DIRECTOR	30	X						0	0	0
PAUL A KUNKEL MD , DIRECTOR	50	X						0	0	0
EDNA V BAEHRE PHD , DIRECTOR	50	X						0	0	0
DEBORAH S MILLER , DIRECTOR	70	X						0	0	0
DOUGLAS A NEIDICH , DIRECTOR	40	X						0	0	0
ROBERT L LYON , DIRECTOR	1 00	X						0	0	0
Larry L SOLLENBERGER M , DIRECTOR	50	X						0	0	0
Theodore Bernstein , DIRECTOR	80	X						0	0	0
Clarence E Asbury , DIRECTOR	50	X						0	0	0
George F Grode , DIRECTOR	90	X						0	0	0
Dennis Walsh , DIRECTOR	50	X						0	0	0
Paul J Creary MD , DIRECTOR	40	X						0	0	0
Elan Cull , DIRECTOR	20	X						0	0	0
Bony R Dawood , DIRECTOR	60	X						0	0	0
Denise F Harr MD , DIRECTOR	40	X						0	0	0
ROGER LONGENDERFER MD , PRESIDENT/CEO	22 90	X		X				879,897	0	389,800
William H Pugh , Treasurer	20 60			X				370,787	0	28,633
CHRISTOPHER P MARKLEY , SECRETARY	16 00			X				351,577	0	46,457
RICHARD C SENECA ESQ , ASSISTANT SECRETARY	10			X				0	201,600	0
PHILIP GUARNESCHELLI , sr vp/COO	2 00					X		515,452	0	59,137
DANA KELLIS , SR VP Medical Affairs	8 00					X		458,511	0	66,759
COREY RIGBERG , VP MEDICAL AFFAIRS	4 00					X		303,494	0	45,010
Nirmal Joshi , VP Medical Education	4 00					X		298,706	0	44,855
Steve roth , VP Informatics	10 00					X		293,148	0	35,202

Form 990, Part III, Line 1 - Briefly describe the organization's mission:

PinnacleHealth System is engaged in and conducts charitable, educational, and scientific activities through the support and benefit of Pinnacle Health Foundation, and provides management and consultative services to affiliated entities that qualify for federal income tax exemption under code section 501(C)(3).PinnacleHealth System is dedicated to the health and well being of the people we serve and makes a concerted effort to establish enduring bonds between the health system and the community. PinnacleHealth System offers an array of community services and programs to improve health awareness among community groups and organizations, provide optimal and timely care and treatment for target populations and to address diverse community needs. PinnacleHealth provides various training programs and tracks and evaluates the impact of its services and programs on the overall health of the community.

Additional Data

Software ID:
Software Version:
EIN: 25-1778658
Name: PINNACLE HEALTH SYSTEM

Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.

(i) Name of Supported O rganization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
pinnacle health hospitals	251778644	Line 3		No	Yes		Yes		11153287
pinnacle health medical services	251709054	Line 3		No	Yes		Yes		1563784
Community Life Team	231890444	Line 9		No	Yes		Yes		60000
Pinnacle Health foundation	222691718	Line 11,II		No	Yes		Yes		446926