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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

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

C Name of organization
PHILHAVEN

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
283 SOUTH BUTLER ROAD PO BOX 550

Room/suite

City or town, state or country, and ZIP + 4
MOUNT GRETNA, PA 17064

D Employer identification number
23-1548822

E Telephone number
(717) 270-2414

G Gross receipts $ 58,619,433

F Name and address of principal officer
PHILIP D HESS
283 SOUTH BUTLER ROAD PO BOX 550
MOUNT GRETNA, PA 17064

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW PHILHAVEN ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1949

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PHILHAVEN PROVIDES BEHAVIORAL HEALTH SERVICES TO INDIVIDUALS IN CENTRAL PA

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	1,143
6	Total number of volunteers (estimate if necessary)	**6**	75
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	529,248
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	136,331

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	1,207,974	883,871
	9 Program service revenue (Part VIII, line 2g)	51,371,076	53,218,563
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	825,950	158,777
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	451,365	4,317,592
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	53,856,365	58,578,803
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	41,272,947	43,056,217
	16a Professional fundraising fees (Part IX, column (A), line 11e)	18,000	37,324
	b Total fundraising expenses (Part IX, column (D), line 25) ▶236,031		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	11,011,279	11,778,353
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	52,302,226	54,871,894
	19 Revenue less expenses Subtract line 18 from line 12	1,554,139	3,706,909

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	28,684,853	32,601,888
	21 Total liabilities (Part X, line 26)	9,173,790	9,297,647
	22 Net assets or fund balances Subtract line 21 from line 20	19,511,063	23,304,241

Part II Signature Block

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

Sign Here

****** 2012-05-11
Signature of officer Date

PHILIP D HESS CHIEF EXECUTIVE OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
JULIUS C GREEN	JULIUS C GREEN		☐	

Firm's name ▶ PARENTEBEARD LLC — Firm's EIN ▶

Firm's address ▶ 1650 MARKET STREET SUITE 4500
PHILADELPHIA, PA 19103 — Phone no ▶ (215) 972-0701

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

AS AN EXPRESSION OF CHRIST'S LOVE, PHILHAVEN PROMOTES HOPE, HEALING AND WHOLENESS THROUGH THE PROVISION OF BEHAVIORAL RESOURCES

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 22,090,669 including grants of $) (Revenue $ 27,299,097)

PHILHAVEN'S INPATIENT PSYCHIATRIC PROGRAM IS AVAILABLE TO INDIVIDUALS WHO ARE IN MOST SEVERE STRESS AND/OR DANGER OF HARMING THEMSELVES OR OTHERS THE INPATIENT PROGRAM PROVIDES A 24-HOUR A DAY THERAPEUTIC MILIEU AND INTERVENTIONS THAT SERVE TO STABILIZE ACUTE PSYCHIATRIC SYMPTOMS SERVICES ARE PROVIDED TO CHILDREN AND ADOLESCENTS AGES 3 TO 18 AND ADULTS OVER 18 YEARS OF AGE TYPICAL LENGTH OF STAY IS UP TO SIX DAYS FOR ADULTS AND NINE DAYS FOR CHILDREN/ADOLESCENTS ADDITIONALLY, PHILHAVEN OFFERS EXTENDED ACUTE PSYCHIATRIC INPATIENT SERVICES FOR ADULTS THAT REQUIRE LONG-TERM INTENSIVE INTERVENTIONS TO STABILIZE THEIR SYMPTOMS ONCE BEHAVIORAL STABILIZATION IS ACHIEVED, THE PATIENT IS THEN PREPARED FOR TRANSITION TO THE NEXT LEVEL OF APPROPRIATE CARE THIS PROGRAM SERVED 2,042 INDIVIDUALS DURING THE JUNE 30, 2011 FISCAL YEAR

4b (Code) (Expenses $ 11,304,456 including grants of $) (Revenue $ 12,191,650)

PHILHAVEN'S CHILDREN'S/ADOLESCENTS' BEHAVIORAL HEALTH REHABILITATION SERVICE (BHRS) PROGRAM INCLUDES BOTH COMMUNITY BASED AND AFTER SCHOOL SERVICES THE GOAL OF ALL BHRS SERVICES IS TO ENHANCE THE CHILD'S/ADOLESCENT'S ABILITY TO FUNCTION EMOTIONALLY, SOCIALLY, AND BEHAVIORALLY INDIVIDUALIZED INTERVENTIONS SERVE TO FACILITATE YOUTH'S BEHAVIORAL STABILIZATION AND EMOTIONAL GROWTH MENTAL HEALTH SPECIALISTS HELP YOUTH LEARN SKILLS AND COPING STRATEGIES, WHICH ENABLE THE YOUTH TO PRVENT DETERIORATION AND MORE RESTRICTIVE SERVICES AFTERSCHOOL SERVICES ARE PROVIDED MONDAY - FRIDAY AFTER SCHOOL FOR CHILDREN AGES SIX TO 12 YEARS COMMUNITY BASED SERVICES ARE PROVIDED IN SCHOOLS AND HOMES BY TRAINED THERAPEUTIC SUPPORT STAFF, MOBILE THERAPISTS, AND BEHAVIORAL SPECIALISTS CONSULTANTS THIS PROGRAM SERVED 2,520 INDIVIDUALS DURING THE JUNE 30, 2011 FISCAL YEAR

4c (Code) (Expenses $ 15,024,167 including grants of $) (Revenue $ 13,727,816)

PHILHAVEN'S OUTPATIENT PROGRAM PROVIDES THE LEAST RESTRICTIVE TYPE OF MENTAL HEALTH TREATMENT AVAILABLE AT PHILHAVEN STAFF WHO ARE PROFESSIONALLY TRAINED IN PSYCHIATRY, PSYCHOLOGY, SOCIAL WORK, AND COUNSELING STRIVE TO PROVIDE OUTPATIENT SERVICES TO CLIENTS IN A CONSCIENTIOUS AND CARING MANNER AS THEY WORK TOWARD THEIR THERAPEUTIC GOALS PHILHAVEN STRIVES TO PROVIDE INDIVIDUALS AND THEIR FAMILIES WITH THE SKILLS AND RESOURCES NECESSARY TO LIVE HEALTHY, FULFILLED LIVES WITHIN THEIR HOMES AND COMMUNITIES SPECIFIC SERVICES OFFERED INCLUDE EVALUATIONS AND ASSESSMENTS, PSYCHIATRIC MEDICATION MANAGEMENT, PSYCHIATRIC CONSULTATION, INDIVIDUAL THERAPY, FAMILY THERAPY, GROUP THERAPY, AND MARRIAGE COUNSELING THIS PROGRAM SERVED 17,253 INDIVIDUALS DURING THE JUNE 30, 2011 FISCAL YEAR

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**

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

4e **Total program service expenses** ▶ $ 48,419,292

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17	Yes	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**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? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☑ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	97		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	1,143		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	15		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Does the organization have members or stockholders?		6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	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?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	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?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	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		No

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 ▶

MATTHEW D ROGERS CFO
283 SOUTH BUTLER ROAD
MOUNT GRETNA, PA 17064
(717) 270-2414

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) REBECCA BURKHOLDER SECRETARY	1 50	X		X				0	0	0
(2) KENNETH L MOORE TREASURER	1 50	X		X				0	0	0
(3) JANET BRENEMAN DIRECTOR	1 30	X						0	0	0
(4) ROBERT FORTNA DIRECTOR	1 30	X						0	0	0
(5) JANET R STAUFFER VICE PRESIDENT	1 50	X		X				0	0	0
(6) SAM THOMAS DIRECTOR	1 30	X						0	0	0
(7) ROBERT HOFFMAN DIRECTOR	1 30	X						0	0	0
(8) GEORGE STOLTZFUS PRESIDENT	1 50	X		X				0	0	0
(9) AARON GROFF DIRECTOR	1 30	X						0	0	0
(10) JAMES SPICER DIRECTOR	1 30	X						0	0	0
(11) MONIQUA ACOSTA DIRECTOR	1 30	X						0	0	0
(12) DUANE BRITTON DIRECTOR	1 30	X						0	0	0
(13) AUDREY GROFF DIRECTOR	1 30	X						0	0	0
(14) JAMES HERR DIRECTOR	1 30	X						0	0	0
(15) DAVID WARREN DIRECTOR	1 30	X						0	0	0
(16) FRANCIS D SPARROW MD MEDICAL DIRECTOR	52 00			X				300,000	0	31,242

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) PHILIP D HESS CHIEF EXECUTIVE OFFICER	50 00			X				177,047	0	37,097
(18) MATTHEW ROGERS CFO	50 00			X				100,708	0	7,857
(19) OLANIYI I OLULEYE PHYSICIAN	40 00					X		252,143	0	31,555
(20) EUGENIA ABONYI PHYSICIAN	40 00					X		245,029	0	22,478
(21) PAUL YEUNG PHYSICIAN	40 00					X		240,728	0	25,655
(22) MUSTAFA KALEEM PHYSICIAN	40 00					X		254,923	0	38,234
(23) THOMAS FENSTERMACHER PHYSICIAN	40 00					X		226,229	0	37,764
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								1,796,807	0	231,882

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 28

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
GLS ENTERPRISES PO BOX 673 LEBANON, PA 17042	PHARMACY	327,975
ALLCARE FAMILY HEALTH PO BOX 1210 LEBANON, PA 17042	PHYSICIAN SERVICES	207,000
KE LLC 607 PINKERTON ROAD MTJOY, PA 17552	OFFICE RENTAL	180,464
GOOD SAMARITAN HOSPITAL PO BOX 1281 LEBANON, PA 17042	MEDICAL LAB SVC	165,192
MOORE BUSINESS PARK 780 EDEN ROAD LANCASTER, PA 17601	OFFICE RENTAL	147,500

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 6

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . 1a					
	b Membership dues 1b					
	c Fundraising events 1c	35,250				
	d Related organizations . . . 1d					
	e Government grants (contributions) 1e	500,000				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	348,621				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		883,871			
Program Service Revenue		Business Code				
	2a NET PATIENT SERVICE RE	624100	53,218,563	53,218,563		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		53,218,563			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		136,781		8,034	128,747
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	5,303				
	b Less rental expenses	5,601				
	c Rental income or (loss)	-298				
	d Net rental income or (loss) . . . . . ▶		-298			-298
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	10,112	17,070			
	b Less cost or other basis and sales expenses	-19,193	24,379			
	c Gain or (loss)	29,305	-7,309			
	d Net gain or (loss) . . . . . ▶		21,996			21,996
Other Revenue	8a Gross income from fundraising events (not including $ 35,250 of contributions reported on line 1c) See Part IV, line 18 . . . a	13,560				
	b Less direct expenses . . . b	29,843				
	c Net income or (loss) from fundraising events . . ▶		-16,283			-16,283
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . ▶					
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
	11a INS PREM RECOVERY	624100	3,812,609			3,812,609
	b FARM INCOME	110000	521,214		521,214	
	c MISCELLANEOUS INCOME	624100	350			350
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		4,334,173			
	12 **Total revenue.** See Instructions . . . ▶		58,578,803	53,218,563	529,248	3,947,121

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	549,722	515,784	31,996	1,942
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	33,966,077	31,721,400	2,129,364	115,313
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	380,365	380,365		
9 Other employee benefits	5,747,758	5,618,345	98,302	31,111
10 Payroll taxes	2,412,295	2,248,041	155,816	8,438
a Fees for services (non-employees) Management	64,861	64,861		
b Legal	1,431		1,431	
c Accounting	69,075	13,240	55,835	
d Lobbying	96,400		96,400	
e Professional fundraising services *See Part IV, line 17*	37,324			37,324
f Investment management fees	17,951	1,607	16,344	
g Other	1,853,810	1,190,060	650,179	13,571
12 Advertising and promotion	66,785	57	66,728	
13 Office expenses	3,025,468	2,361,072	656,398	7,998
14 Information technology	133,088		133,088	
15 Royalties				
16 Occupancy	3,147,313	2,417,613	729,700	
17 Travel	399,581	383,042		16,539
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	539,759	368,529	171,230	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,241,078	323,356	917,722	
23 Insurance				
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a BAD DEBTS	398,567	398,567		
b BOOKS, DUES & SUBSCRIPT	210,710	60,994	148,978	738
c FARM EXPENSES	193,271	193,271		
d FEDERAL INCOME TAX	33,371	33,371		
e TAXES AND LICENSES	16,654	16,654		
f All other expenses	269,180	109,063	157,060	3,057
25 **Total functional expenses.** Add lines 1 through 24f	54,871,894	48,419,292	6,216,571	236,031
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		23,398	1	25,467
	2	Savings and temporary cash investments		1,236,385	2	2,375,342
	3	Pledges and grants receivable, net		532,167	3	438,668
	4	Accounts receivable, net		6,888,519	4	9,213,342
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		21,402	8	19,928
	9	Prepaid expenses and deferred charges		1,324,205	9	1,388,741
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 41,282,324			
	b	Less accumulated depreciation	10b 29,393,562	12,002,375	10c	11,888,762
	11	Investments—publicly traded securities		5,347,082	11	5,845,626
	12	Investments—other securities See Part IV, line 11		890,610	12	936,246
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		12,640	14	10,273
	15	Other assets See Part IV, line 11		406,070	15	459,493
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		28,684,853	16	32,601,888
Liabilities	17	Accounts payable and accrued expenses		4,814,087	17	5,358,250
	18	Grants payable			18	
	19	Deferred revenue		8,634	19	16,079
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		4,351,069	23	3,923,318
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		9,173,790	26	9,297,647
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		18,389,263	27	22,310,553
	28	Temporarily restricted net assets		689,539	28	513,623
	29	Permanently restricted net assets		432,261	29	480,065
		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		19,511,063	33	23,304,241
	34	Total liabilities and net assets/fund balances		28,684,853	34	32,601,888

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	58,578,803
2	Total expenses (must equal Part IX, column (A), line 25)	2	54,871,894
3	Revenue less expenses Subtract line 2 from line 1	3	3,706,909
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	19,511,063
5	Other changes in net assets or fund balances (explain in Schedule O)	5	86,269
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	23,304,241

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

_____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

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

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

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

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

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

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

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

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2009.** 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—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** 2010	**(f)** Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** 2010	**(f)** Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	**15**	
16	Public support percentage from 2009 Schedule A, Part III, line 15	**16**	

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

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

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
PHILHAVEN	23-1548822

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

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 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) 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?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		96,400
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			96,400
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) 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 (see instructions)	5	

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	THE HOSPITAL ENGAGED A PROFESSIONAL LOBBYING FIRM TO ASSIST IN SECURING GOVERNMENTAL FUNDING FOR SPECIALIZED PROGRAMS

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

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 for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a 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	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

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, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 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 Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

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

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

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

Part V Endowment Funds. Complete if 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	429,302	401,011	473,539		
b Contributions					
c Investment earnings or losses	60,967	28,291	-72,528		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	490,269	429,302	401,011		

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 100 000 %
- c Term endowment ▶ 0 %

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

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

4 Describe in Part 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) Accumulated depreciation	(d) Book value
1a Land		355,952		355,952
b Buildings		16,488,807	10,459,796	6,029,011
c Leasehold improvements				
d Equipment		23,912,848	18,908,539	5,004,309
e Other		524,717	25,227	499,490
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				11,888,762

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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

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

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

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

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

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

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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	58,578,803
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	54,871,894
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,706,909
4	Net unrealized gains (losses) on investments	4	86,269
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	86,269
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	3,793,178

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	58,389,096
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	86,269		
b	Donated services and use of facilities	2b	4,846		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-299,922		
e	Add lines **2a** through **2d**			2e	-208,807
3	Subtract line **2e** from line **1**			3	58,597,903
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	16,344		
b	Other (Describe in Part XIV)	4b	-35,444		
c	Add lines **4a** and **4b**			4c	-19,100
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	58,578,803

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

1	Total expenses and losses per audited financial statements			1	54,595,918
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	4,846		
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	35,444		
e	Add lines **2a** through **2d**			2e	40,290
3	Subtract line **2e** from line **1**			3	54,555,628
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	16,344		
b	Other (Describe in Part XIV)	4b	299,922		
c	Add lines **4a** and **4b**			4c	316,266
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	54,871,894

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE PURPOSE OF THESE DONOR RESTRICTED FUNDS IS TO PROVIDE A STABLE SOURCE OF PERPETUAL FINANCIAL SUPPORT FOR THE PHILHAVEN PROGRAMS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	PHILHAVEN IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXES THE FARM'S INCOME IS TAXABLE FOR FEDERAL PURPOSES AS UNRELATED BUSINESS INCOME PHILHAVEN AND THE FARM PRESCRIBE A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY IN RECORDING TAX LIABILITIES IN THE FINANCIAL STATEMENTS MEASUREMENT AND RECOGNITION OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET NO SUCH LIABILITIES ARE RECORDED AT JUNE 30, 2011 AND 2010 THE ORGANIZATION'S FEDERAL EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURNS FOR THE YEARS ENDED JUNE 30, 2010, 2009, AND 2008 REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE
PART XII, LINE 2D - OTHER ADJUSTMENTS		INCOME TAX EXPENSE -41,831 FUNDRAISING EXPENSES RPT AS NON-OPERATING GAIN/LOSS -258,091
PART XII, LINE 4B - OTHER ADJUSTMENTS		FUNDRAISING EVENT EXPENSE -29,843 RENTAL EXPENSES -5,601
PART XIII, LINE 2D - OTHER ADJUSTMENTS		FUNDRAISING EVENT EXPENSES 29,843 RENTAL EXPENSES 5,601
PART XIII, LINE 4B - OTHER ADJUSTMENTS		INCOME TAX EXPENSE 41,831 FUNDRAISING EXPENSES RPT AS NON-OPERATING GAIN/LOSS 258,091

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☐ Mail solicitations
- **b** ☐ Internet and e-mail solicitations
- **c** ☐ Phone solicitations
- **d** ☑ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☑ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☑ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	**(iii)** No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
BENEVON 4528 EIGHT AVENUE NE SEATTLE, WA 98105	FUNDRAISING PROGRAM CONSULTANT		No	294,562	27,200	267,362
ENDOWMENT HORIZONS PO BOX 196 WATERVILLE, OH 43566	CONSULTING ON PLANNED GIVING PROGRAM		No	0	5,140	0
Total . . . . . ▶				294,562	32,340	267,362

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

PA

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	48,810			48,810
	2 Less Charitable contributions	35,250			35,250
	3 Gross income (line 1 minus line 2)	13,560			13,560
Direct Expenses	4 Cash prizes	2,272			2,272
	5 Non-cash prizes	4,421			4,421
	6 Rent/facility costs	19,575			19,575
	7 Food and beverages	2,274			2,274
	8 Entertainment				
	9 Other direct expenses	1,301			1,301
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				29,843
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				-16,283

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	**13a**	
b An outside facility	**13b**	

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ ----------

Address ▶ ----------

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

Gaming manager compensation ▶ $ ----------

Description of services provided ▶ ----------

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . . ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . .	5a		No
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare a community benefit report during the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			198,044	58,468	139,576	0 250 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			102,362		102,362	0 190 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			300,406	58,468	241,938	0 440 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			348,202	184,869	163,333	0 300 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			93,188		93,188	0 170 %
j **Total** Other Benefits			441,390	184,869	256,521	0 470 %
k **Total.** Add lines 7d and 7j			741,796	243,337	498,459	0 910 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**						

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense (at cost)	2	400,201		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	293,798		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	2,803,249		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	2,773,665		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	29,584		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes		
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes		

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	PHILHAVEN 283 SOUTH BUTLER ROAD PO BOX 550 MOUNT GRETNA, PA 17064	X								

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 7 A COST TO CHARGE RATIO WAS USED TO DETERMINE THE AMOUNTS REPORTED IN THE CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS ITEMS COST ACCOUNTING WAS USED TO DETERMINE THE AMOUNTS REPORTED IN THE OTHER BENEFITS SECTION BAD DEBT AND OTHER WRITE-OFFS ARE EXCLUDED IN THE DENOMINATOR WHICH, IF INCLUDED, WOULD INCREASE THE PERCENTAGE OF CHARITY CARE REPORTED THE AMOUNT OF BAD DEBT NOT INCLUDED IN THE CALCULATION WAS $400,201

Identifier	ReturnReference	Explanation
		PART II N/A

Identifier	ReturnReference	Explanation
		PART III, LINE 4 PHILHAVEN RECOGNIZES THE PROVISION FOR BAD DEBTS AND THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED ON HISTORICAL EXPERIENCE A COST CHARGE RATIO WAS USED TO DETERMINE THE AMOUNTS REPORTED AS BAD DEBT BAD DEBT IS RECORDED BASED ON THE NET BALANCE OF THE AGED RECEIVABLES ACCOUNT ALL DISCOUNTS AND PAYMENTS ARE RECORDED PRIOR TO THE ADJUSTMENT OF THE BAD DEBT ACCOUNT A SAMPLE OF CHARITY CARE APPLICATIONS WAS REVIEWED TO DETERMINE A RATIO OF REQUESTED CHARITY CARE TO GRANTED CHARITY CARE THIS PERCENTAGE WAS APPLIED TO THE BAD DEBT BALANCE

Identifier	ReturnReference	Explanation
		PART III, LINE 8 PHILHAVEN USES A COST TO CHARGE RATIO FOR APPLICABLE LEVELS OF CARE REIMBURSED BY MEDICARE THESE INCLUDE INPATIENT, OUTPATIENT AND DAY/IOP PROGRAMS

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE ORGANIZATION DOES NOT PURSUE COLLECTIONS AGAINST PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE THIS POLICY, HOWEVER, IS NOT CURRENTLY DOCUMENTED THE ORGANIZATION IS WORKING TO MAKE THE POLICY AGAINST COLLECTION EFFORTS FOR FINANCIALLY NEEDY PATIENTS MORE FORMALIZED IN THEIR WRITTEN PROCEDURES

Identifier	ReturnReference	Explanation
PHILHAVEN		PART V, SECTION B, LINE 17E A MINIMUM OF THREE ATTEMPTS TO COLLECT PAYMENT FROM THE PATIENT IS REQUIRED PRIOR TO REFERRAL TO A CREDIT AGENCY

Identifier	ReturnReference	Explanation
PHILHAVEN		PART V, SECTION B, LINE 19D THE HOSPITAL CHARGES THE USUAL AND CUSTOMARY (GROSS) CHARGE TO SELF-PAY PATIENTS

Identifier	ReturnReference	Explanation
PHILHAVEN		PART V, SECTION B, LINE 21 USUAL AND CUSTOMARY (GROSS) CHARGES ARE USED TO INVOICE SELF-PAY PATIENTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 PHILHAVEN SENIOR MANAGEMENT REGULARLY MEETS WITH LEADERSHIP OF THE COUNTY GOVERNMENTS AND LEADERSHIP OF LOCAL COMMUNITY HOSPITALS, HEALTH SYSTEMS AND OTHER PHYSICAL HEALTHCARE PROVIDERS TO IDENTIFY HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES RELATED TO MENTAL HEALTH AND PSYCHIATRY ADDITIONALLY PHILHAVEN REGULARLY SURVEYS ITS OWN PATIENTS TO GAIN A BETTER UNDERSTANDING OF THEIR NEEDS AND SATISFACTION WITH SERVICES PROVIDED

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THE "CHARITY CARE" POLICY IS POSTED IN ALL ADMISSIONS / WAITING AREAS UPON ADMISSION THE PATIENT IS INFORMED, IN WRITING, OF THEIR LIABILITY SHOULD A PATIENT BE IDENTIFIED UPON ADMISSION OR DURING THE COURSE OF TREATMENT AS HAVING NO INSURANCE COVERAGE A CHARITY CARE COORDINATOR WILL MEET WITH THEM OR THEIR RESPONSIBLE PARTY TO REVIEW THE "CHARITY CARE" POLICY AND ASSIST IN APPLICATION FOR FINANCIAL ASSISTANCE THROUGH THE CHARITY CARE POLICY AND/OR THROUGH AN APPLICATION TO MEDICAL ASSISTANCE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 PHILHAVEN PRIMARILY SERVES FOUR COUNTIES IN CENTRAL PENNSYLVANIA (LEBANON, LANCASTER, YORK, AND DAUPHIN) THESE COUNTIES INCLUDE THE CITIES OF HARRISBURG, LANCASTER, LEBANON, AND YORK ALONG WITH RURAL AREAS FIFTY-FOUR PERCENT OF THE PATIENTS WE SERVE ARE FEMALE AND FORTY-SIX PERCENT ARE MALE ADDITIONALLY SEVENTY-THREE PERCENT OF THE PATIENTS WE SERVE ARE CAUCASIAN, TEN PERCENT ARE HISPANIC, FOUR PERCENT ARE AFRICAN-AMERICAN, AND THIRTEEN PERCENT IDENTIFY THEMSELVES AS ANOTHER RACE OR MIXED RACE

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 PHILHAVEN MAKES MEMBERS OF ITS MEDICAL AND CLINICAL STAFF AVAILABLE TO VARIOUS COMMUNITY ORGANIZATIONS INCLUDED IN THIS ARE PSYCHIATRIC PHILHAVEN PROVIDES CONSULTATIONS FROM ITS MEDICAL STAFF MEMBERS TO LOCAL COMMUNITY AND ACUTE CARE HOSPITALS ADDITIONALLY PHILHAVEN PROVIDES MEDICAL STAFF AND CLINICAL STAFF TO A LOCAL SCHOOL DISTRICT FOR PSYCHIATRIC AND THERAPEUTIC CONSULTATION OR DIRECT SERVICES SERVICES AT NO CHARGE PHILHAVEN ENCOURAGES ITS SENIOR MANAGEMENT AND EMPLOYEES TO VOLUNTEER THEIR TIME FOR LOCAL NON-PROFIT ORGANIZATIONS THESE STAFF PROVIDE MENTAL HEALTH EXPERTISE TO NON-PROFIT AGENCIES PROVIDING SERVICES TO HOMELESS PERSONS, PERSONS WITH DEVELOPMENTAL DISABILITIES, AND PERSONS WITH MENTAL ILLNESS ADDITIONALLY, PHILAHVEN ALLOWS SOME LOCAL NON-PROFIT ORGANIZATIONS USE OF ITS TRAINING FACILITIES AT NO CHARGE INCLUDING OTHER HEALTH CARE ORGANIZATIONS TRAININGS SPONSORED BY PHILHAVEN ARE ALSO MADE AVAILABLE TO OTHER MENTAL HEALTH AND PHYSICAL HEALTHCARE PROVIDERS ON A VARIETY OF MENTAL HEALTH TOPICS IMPROVING THE OTHER HEALTHCARE PROVIDERS' ABILITY TO SERVE PATIENTS WITH MENTAL ILLNESS

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 N/A

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision 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	☑ Written employment contract		
	☐ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) FRANCIS D SPARROW MD	(i)	300,000	0	0	15,925	15,317	331,242	0
	(ii)	0	0	0	0	0	0	0
(2) PHILIP D HESS	(i)	177,047	0	0	18,562	18,535	214,144	0
	(ii)	0	0	0	0	0	0	0
(3) OLANIYI I OLULEYE	(i)	252,143	0	0	11,317	20,238	283,698	0
	(ii)	0	0	0	0	0	0	0
(4) EUGENIA ABONYI	(i)	245,029	0	0	13,995	8,483	267,507	0
	(ii)	0	0	0	0	0	0	0
(5) PAUL YEUNG	(i)	240,728	0	0	5,417	20,238	266,383	0
	(ii)	0	0	0	0	0	0	0
(6) MUSTAFA KALEEM	(i)	254,923	0	0	19,699	18,535	293,157	0
	(ii)	0	0	0	0	0	0	0
(7) THOMAS FENSTERMACHER	(i)	226,229	0	0	19,229	18,535	263,993	0
	(ii)	0	0	0	0	0	0	0
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		PHILHAVEN IS CONTROLLED BY THE LANCASTER CONFERENCE OF THE MENNONITE CHURCH UNDER THE BYLAWS OF PHILHAVEN CONTROL IS EXERCISED VIA CERTAIN RESERVE POWERS, INCLUDING THE APPROVAL AND APPOINTMENT OF MEMBERS OF THE GOVERNING BODY, APPROVAL OF THE APPOINTMENT OF THE CHIEF EXECUTIVE OFFICER AND APPROVAL OF AMENDMENTS TO THE BYLAWS AND ARTICLES OF INCORPORATION

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		THE LANCASTER MENNONITE CONFERENCE APPOINTS THREE MEMBERS OF THE BOARD OF DIRECTORS ADDITIONALLY, THE LANCASTER MENNONITE CONFERENCE WILL APPROVE THE SELECTION OF ALL AT-LARGE MEMBERS OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		THE LANCASTER MENNONITE CONFERENCE MUST APPROVE ANY CHANGE TO THE EXISTING BY-LAWS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FINANCE COMMITTEE OF THE BOARD OF DIRECTORS PERFORMS AN INITIAL REVIEW OF THE 990 UPON THE FINANCE COMMITTEE'S APPROVAL, THE 990 GETS DISTRIBUTED TO ALL BOARD MEMBERS ELECTRONICALLY EACH BOARD MEMBER WILL THEN HAVE THE OPPORTUNITY TO REVIEW THE 990 BEFORE THE RETURN'S SUBMISSION TO THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ALL MEMBERS OF THE BOARD OF DIRECTORS, EMPLOYEES WHO ARE DIRECTORS OR ABOVE, LICENSED PROFESSIONALS AND INDEPENDENT LICENSED PRACTITIONERS ARE SUBJECT TO PHILHAVEN'S CONFLICT OF INTEREST POLICIES PHILHAVEN REQUIRES EACH MEMBER OF THE BOARD OF DIRECTORS TO DISCLOSE CONFLICTS OF INTEREST, OR POTENTIAL CONFLICTS OF INTEREST, TO THE PRESIDENT OF THE BOARD OF DIRECTORS ON AN ANNUAL BASIS THE PRESIDENT MUST DISCLOSE CONFLICTS OF INTEREST, OR POTENTIAL CONFLICTS OF INTEREST, TO THE FULL BOARD OF DIRECTORS ON AN ANNUAL BASIS IF A CONFLICT OF INTEREST IS IDENTIFIED THAT HAS NOT BEEN DECLARED THE BOARD MAY DECLARE BY RESOLUTION CARRIED BY TWO-THIRDS OF ITS MEMBERS PRESENT AT THE MEETING, THAT A CONFLICT OF INTEREST EXISTS AND THE MEMBER OF THE BOARD THUS FOUND TO BE IN CONFLICT SHALL WITHDRAW FROM THE MEETING OR REFRAIN FROM DISCUSSION OR VOTING IN RELATION TO THE MATTER UPON HIRE AND ANNUALLY THEREAFTER ANY EMPLOYEE OR INDEPENDENT PRACTITIONER SUBJECT TO THE POLICIES IS REQUIRED TO COMPLETE A DISCLOSURE STATEMENT ADDITIONALLY PHILHAVEN'S CHIEF LEGAL OFFICER IS REQUIRED TO REVIEW ALL CONTRACTS OR AGREEMENTS WITH OTHER CARE PROVIDERS OR FOR OTHER SERVICES TO IDENTIFY ANY CONFLICTS OF INTEREST SHOULD A CONFLICT OF INTEREST WITH AN EMPLOYEE OR WITH AN AGREEMENT OR CONTRACT WITH A THIRD PARTY BE IDENTIFIED, THE CHIEF LEGAL OFFICE AND MEDICAL DIRECTOR SHALL REVIEW THE CIRCUMSTANCES TO MAKE A DECISION ON THE APPROPRIATE ACTION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS SHALL DETERMINE AND APPROVE IN ADVANCE THE COMPENSATION ARRANGEMENTS FOR IDENTIFIED EXECUTIVE EMPLOYEES WHO ARE IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER PHILHAVEN'S AFFAIRS EXECUTIVE EMPLOYEES SUBJECT TO THIS POLICY INCLUDE THE CHIEF EXECUTIVE OFFICER AND MEDICAL DIRECTOR IN MAKING ITS DETERMINATION, THE EXECUTIVE COMMITTEE SHALL RELY UPON APPROPRIATE DATA AND INFORMATION AS TO THE COMPARABILITY OF COMPENSATION ARRANGEMENTS RELEVANT FACTORS THAT MAY BE CONSIDERED INCLUDE, BUT ARE NOT LIMITED TO 1 COMPENSATION PAID BY SIMILARLY SITUATED ORGANIZATIONS, BOTH TAXABLE AND TAX-EXEMPT, FOR FUNCTIONALLY COMPARABLE POSITIONS, 2 CURRENT COMPENSATION SURVEYS CONDUCTED BY INDEPENDENT FIRMS, 3 EXECUTIVE EMPLOYEE'S SALARY HISTORY WITH OTHER ORGANIZATIONS, 4 ACTUAL WRITTEN OFFERS FROM SIMILAR ORGANIZATIONS COMPETING FOR THE SERVICES OF THE EXECUTIVE, AND 5 AVAILABILITY OF SIMILARLY QUALIFIED EXECUTIVES IN THE GEOGRAPHIC AREA THE EXECUTIVE COMMITTEE'S DECISION MUST BE CONTEMPORANEOUSLY DOCUMENTED IN WRITING THE CEO DETERMINES THE COMPENSATION FOR THE CHIEF FINANCIAL OFFICER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	PHILHAVEN DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, OR FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC THROUGH THE INTERNET OR OTHER SIMILAR MEDIA THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE TO EMPLOYEES AT ANY TIME VIA THE COMPANY INTRA-NET AUDITED FINANCIAL STATEMENTS ARE ROUTINELY SUBMITTED TO OTHER PARTIES INCLUDING FINANCIAL INSTITUTIONS AND LOCAL GOVERNMENT AGENCIES ANY OF THESE DOCUMENTS ARE AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 86,269

Identifier	Return Reference	Explanation
AUDIT OVERSIGHT	FORM 990, PART XII, LINE 2C	PHILHAVEN'S FINANCE COMMITTEE OF THE BOARD OF DIRECTORS SERVES AS THE AUDIT COMMITTEE. THE AUDIT COMMITTEE IS RESPONSIBLE FOR APPOINTING INDEPENDENT AUDITORS INCLUDING INTERVIEWING POTENTIAL FIRMS AND ESTABLISHING THE TERMS OF THE CONTRACTUAL AGREEMENTS. ADDITIONALLY THE AUDIT COMMITTEE IS RESPONSIBLE FOR REVIEWING AND APPROVING THE AUDITED FINANCIAL STATEMENTS. AT THE CONCLUSION OF THE AUDIT THE AUDIT COMMITTEE MEETS WITH THE INDEPENDENT AUDITORS WITHOUT MANAGEMENT PRESENT TO REVIEW THE RESULTS OF THE AUDIT. THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) KE LLC 283 S BUTLER ROAD PO BOX 550 MT GRETNA, PA17064 23-2647658	REAL ESTATE RENTAL	PA	N/A	UNRELATED	55,636	936,246		No	8,034	Yes		50 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) KE LLC	J	153,690	FMV
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Philhaven

Financial Statements and
Supplementary Information

June 30, 2011 and 2010

Philhaven

Table of Contents
June 30, 2011 and 2010

ParenteBeard

Independent Auditors' Report

Board of Directors
Philhaven

We have audited the accompanying combined balance sheets of Philhaven as of June 30, 2011 and 2010, and the related combined statements of operations and changes in net assets and cash flows for the years then ended These combined financial statements are the responsibility of Philhaven's management Our responsibility is to express an opinion on these combined financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Philhaven as of June 30, 2011 and 2010, and the results of operations, changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America

ParenteBeard LLC

Lancaster, Pennsylvania
January 3, 2012

Philhaven

Combined Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 2,400,809	$ 1,256,384
Assets limited as to use, grant agreements	1,004	11,116
Patient accounts receivable, net of allowances for uncollectible accounts of $350,308 in 2011 and $239,619 in 2010	6,786,677	5,758,573
Estimated settlements due from third-party payors	638,193	635,733
Grant receivable	-	450,000
Prepaid expenses and other assets	1,446,720	1,396,385
Accounts receivable - health insurance plan	1,763,346	267
Unconditional promises to give	165,376	217,258
Total current assets	13,202,125	9,725,716
Investments	5,486,001	4,994,870
Assets Limited as to Use		
Board-designated	7,982	5,946
Donor restricted	285,894	269,837
Funds held by trustee for workers' compensation	40,223	40,695
Total assets limited as to use	334,099	316,478
Property, Equipment and Cattle, Net	11,888,762	12,002,375
Beneficial Interest in Irrevocable Trusts	406,346	358,542
Unconditional Promises to Give	273,292	314,909
Investment in Limited Liability Company	936,246	890,610
Other Assets	75,017	81,353
Total assets	$ 32,601,888	$ 28,684,853

See notes to combined financial statements

Philhaven

Combined Balance Sheets
June 30, 2011 and 2010

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Bank line of credit	$ -	$ 76,460
Current maturities of long-term debt	372,831	346,262
Accounts payable	1,289,676	1,059,107
Accrued expenses	3,987,386	3,666,347
Advances and estimated settlements due to third-party payors	97,267	97,267
Total current liabilities	5,747,160	5,245,443
Long-Term Debt, Net	3,550,487	3,928,347
Total liabilities	9,297,647	9,173,790
Net Assets		
Unrestricted	22,310,553	18,389,263
Temporarily restricted	513,623	689,539
Permanently restricted	480,065	432,261
Total net assets	23,304,241	19,511,063
Total liabilities and net assets	$ 32,601,888	$ 28,684,853

See notes to combined financial statements

Philhaven

Combined Statements of Operations and Changes in Net Assets
Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Revenue		
Net patient service revenue	$ 53,381,176	$ 51,046,124
Sales	521,215	458,603
Grants	-	561,235
Other	361,406	339,600
Net assets released from restrictions used for operations	252,259	176,514
Total revenue	54,516,056	52,582,076
Expenses		
Salaries and wages	34,363,121	33,149,337
Professional fees	818,565	701,172
Employee benefits	8,726,361	8,163,186
Supplies and other	8,247,775	7,991,372
Interest	292,075	300,050
Depreciation and amortization	1,749,454	1,569,666
Provision for bad debts	398,567	231,006
Total expenses	54,595,918	52,105,789
Income (loss) from operations	(79,862)	476,287
Non-Operating Gains (Losses)		
Investment return	148,569	777,257
Return of premium from health insurance plan	3,812,609	-
Gifts and bequests	294,562	413,707
Fundraising expenses	(258,091)	(208,904)
Net assets released from restrictions used for fund-raising expenses	827	10,289
Net assets released from restrictions used for capital projects	13,350	602,806
Gain (loss) on disposal of equipment	(7,309)	3,173
Income tax expense	(41,831)	9,592
Non-operating gains (losses), net	3,962,686	1,607,920
Excess of revenue over expenses	3,882,824	2,084,207
Other Changes in Unrestricted Net Assets, Net Unrealized Gains on Investments	38,466	19,921
Increase in unrestricted net assets	3,921,290	2,104,128

See notes to combined financial statements

Philhaven

Combined Statements of Operations and Changes in Net Assets
Years Ended June 30, 2011 and 2010

	2011	2010
Temporarily Restricted Net Assets		
Gifts and bequests	$ 89,398	$ 267,635
Investment income	1,122	9,260
Net assets released from restrictions for operating expenses	(252,259)	(176,514)
Net assets released from restrictions for fund-raising expenses	(827)	(10,289)
Net assets released from restrictions for capital projects	(13,350)	(602,806)
Decrease in temporarily restricted net assets	(175,916)	(512,714)
Permanently Restricted Net Assets, investment gains	47,804	20,068
Increase in net assets	3,793,178	1,611,482
Net Assets, Beginning of Year	19,511,063	17,899,581
Net Assets, End of Year	$ 23,304,241	$ 19,511,063

See notes to combined financial statements

Philhaven

Combined Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Increase in net assets	$ 3,793,178	$ 1,611,482
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	1,749,454	1,569,666
(Gain) loss on disposal of equipment	7,309	(3,173)
Provision for bad debts	398,567	231,006
Net unrealized and realized gains on investments	(67,771)	(656,434)
Income from investment in limited liability company	(55,636)	(55,507)
Restricted gifts and bequests	(89,398)	(267,635)
Increase in the fair market value of beneficial interest in irrevocable trust	(47,804)	(20,068)
Changes in certain assets and liabilities		
Patient accounts receivable	(1,426,671)	710,787
Grant receivable	450,000	(450,000)
Prepaid expenses and other assets	(1,811,905)	(30,747)
Accounts payable and accrued expenses	390,983	(644,978)
Advances and estimated settlements due to third-party payors	-	(111,235)
Net cash provided by operating activities	3,290,306	1,883,164
Cash Flows from Investing Activities		
Purchase of property, equipment and cattle	(1,480,158)	(3,046,267)
Purchase of investments and assets limited as to use	(440,981)	(1,705,750)
Proceeds from the maturities and sales of investments and assets limited as to use	10,112	2,349,605
Proceeds from the sale of equipment	-	3,173
Distribution received from limited liability company	10,000	-
Net cash used in investing activities	(1,901,027)	(2,399,239)

See notes to combined financial statements

Philhaven

Combined Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Financing Activities		
Cash received on restricted gifts and bequests	$ 182,897	$ 413,071
Net decrease in line of credit	(76,460)	(936,067)
Repayment of long-term debt	(351,291)	(324,757)
Net cash used in financing activities	(244,854)	(847,753)
Net increase (decrease) in cash and cash equivalents	1,144,425	(1,363,828)
Cash and Cash Equivalents, Beginning	1,256,384	2,620,212
Cash and Cash Equivalents, Ending	$ 2,400,809	$ 1,256,384
Supplementary Cash Flows Information		
Interest paid	$ 294,604	$ 302,328
Income taxes paid	$ 33,371	$ 15,000
Supplementary Disclosure of Noncash Investing Activities		
Accounts payable for acquisitions of property, equipment, and cattle which have not been paid	$ 225,787	$ 65,162

See notes to combined financial statements

1. Organization and Basis of Presentation

Philhaven is a not-for-profit corporation and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code Its operations include the following

- Philhaven - a behavioral healthcare provider specializing in the diagnosis and care of persons with mental, emotional, and behavioral difficulties and providing inpatient, residential, outpatient, partial hospitalization, and community-based facilities and services

- Philhaven Farm (Farm) - a dairy farm, whose income is taxable for federal purposes as unrelated business income of a not-for-profit organization

The financial statements present the combined operations of Philhaven and the Farm All significant intercompany transactions have been eliminated Philhaven and the Farm are related through common Boards of Directors and administrative departments

2. Summary of Significant Accounting Policies

New Accounting Pronouncements

Charity Care

Philhaven will be required to adopt amended guidance related to health care entities which requires that direct and indirect costs be used as the measurement for charity care disclosure purposes The guidance was also amended to require disclosure of the method used to identify or determine such costs The amended guidance is effective for fiscal years beginning after December 15, 2010 Adoption of the amended guidance will revise disclosure in the notes to Philhaven's combined financial statements but will not impact amounts reported in the combined financial statements

Insurance Claims

Philhaven will be required to adopt amended guidance which clarifies that health care entities may not net insurance recoveries against a related claim liability In addition, the amount of the claim liability should be determined without consideration of insurance recoveries and estimated insurance recoveries, if any, should be measured and presented separately within the combined balance sheet The amended guidance is effective for fiscal years beginning after December 15, 2010 Philhaven has not completed the process of evaluating the impact, if any, of this amended guidance on its combined financial statements

Provision for Doubtful Collections

Philhaven will be required to adopt amended guidance related to health care entities which requires a change in reporting the provision for bad debts associated with net patient service revenues As a result of this guidance, the provision, which is currently reported as an operating expense in Philhaven's combined statement of operations, will be reported as a deduction from patient service revenues, net of contractual allowances and discounts The guidance also enhances required disclosures regarding the policies for recognizing net patient service revenues and assessing bad debts In addition, the guidance requires disclosure of net patient service revenues and qualitative and quantitative information about changes in the allowance for doubtful accounts, both by major payor sources The amended guidance is effective for fiscal years beginning after December 15, 2011 Adoption of the amended guidance will require retrospective restatement of the combined statement of operations and prospective combined financial statement disclosures

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include collateralized repurchase agreements and investments in highly liquid debt and equity instruments with an original maturity of three months or less from the purchase date, excluding amounts whose use is limited

Investments, Assets Limited as To Use and Investment Income

All investments with readily determinable fair values are measured at fair value in the balance sheets The fair value of investments is based upon quoted market prices, if available, or estimated with quoted market prices for similar securities

Assets limited as to use include designated assets set aside by the Board of Directors for future capital improvements and charity care over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by trustees are self-insurance trust arrangements in accordance with the Pennsylvania Workers' Compensation Act amounts and amounts restricted by donors Amounts required to meet current obligations are reported as current assets $1,004 and $11,116 of the assets limited as to use were reported as current assets at June 30, 2011 and 2010, respectively

Investment return, including realized gains and losses on investments, interest and dividends on board-designated funds, is reported as non-operating gains in the statements of operations and changes in net assets Investment income on temporarily restricted net assets is reported as non-operating gains in the statements of operations and changes in net assets unless the income or loss is restricted by donor or law Unrealized gains on investments are reported as a component of changes in unrestricted net assets

Property, Equipment and Cattle

It is Philhaven's policy to capitalize property and equipment that exceed $1,500 individually, or a group of similar items exceeding $10,000 Lesser amounts are expensed

Property, equipment and cattle are recorded at cost or fair value if donated Depreciation is being provided on the straight-line method over the estimated useful lives of the assets

Gifts of long-lived assets such as property, equipment and cattle are reported as other changes in unrestricted net assets, unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Donor-Restricted Gifts

Donor-restricted gifts are reported at fair value at the date the gift is received, which is then treated as cost The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restriction

Unconditional Promises to Give

Unconditional promises to give are recorded at fair value as revenue on the date the promise to give is irrevocable Depending on the existence and nature of any donor restrictions, donations are reflected as increases in unrestricted, temporarily restricted, or permanently restricted net assets

Philhaven estimates the fair value of donations that expected to be collected after one year using present value techniques and market interest rates in effect on the date of the donation and a related discount is recorded Discount amortization is included in donation revenue as the associated pledges reach maturity The fair value of donations that are expected to be collected within one year is estimated at net realized value Philhaven believes all donations will be collected in accordance with stipulated terms

Unconditional promises to give at June 30, 2011 and 2010 are as follows

	2011	2010
Building Family Resources Campaign	$ 70,976	$ 185,217
Caring Fund	1,005	16,069
Other restricted	309	1,929
Unrestricted	375,578	349,816
	$ 447,868	$ 553,031
Receivable in less than one year	$ 165,376	$ 217,258
Receivable in one to five years	282,492	335,773
	447,868	553,031
Less discount to net present value	(9,200)	(20,864)
	$ 438,668	$ 532,167

Unconditional promises to give due in more than one year have been discounted at 3 25%

Beneficial Interest in Irrevocable Trust

Philhaven is the beneficiary of several irrevocable trusts, whereby Philhaven receives a percentage of the income from the trust, net of fees The asset described as beneficial interest in irrevocable trust represents Philhaven's share of the underlying asset value The change in the value of the underlying asset is recorded as a change in permanently restricted net assets

Investment in Limited Liability Company

Philhaven is accounting for its 50% investment in KE LLC (KE), a limited liability company, by the equity method of accounting Under this method, the net income of KE is recognized as income in Philhaven's statement of operations and added to the investment account, and distributions received from KE are treated as a reduction of the investment account Allocation of KE's profits is governed by an Operating Agreement, although it is generally based on the ownership percentage of each of the partners

Temporarily Restricted Net Assets

Temporarily restricted net assets represent those whose use has been limited by donors to a specific time period or purpose Temporarily restricted net assets are released from donor restrictions when expenses are incurred satisfying the restricted purposes Net assets of $266,436 and $789,609 were released from restrictions in 2011 and 2010, respectively

Permanently Restricted Net Assets

Permanently restricted net assets represent funds that have been restricted by the donor in perpetuity Permanently restricted net assets consist of Philhaven's beneficial interest in several irrevocable trusts and an endowment fund The change in the value of Philhaven's beneficial interest in these funds is recorded as a change in permanently restricted net assets

Performance Indication

Income (loss) from operations is an intermediate measure of operations The performance indication is labeled as excess of revenue over expense Included in excess of revenue over expenses in the accompanying statements of operations and changes in net assets are all changes in unrestricted net assets, except for unrealized gains and losses on investments

Net Patient Accounts Receivable and Net Patient Service Revenue

Net patient accounts receivable and net patient service revenue are recorded at established rates net of contractual adjustments and charity allowances Philhaven recognizes the provision for bad debts and the allowances for uncollectible accounts based upon historical experience Patient accounts receivable are considered past due 30 days after billing to the applicable payor

Contractual revenue adjustments arising from reimbursement agreements with third-party payor are accrued on an estimated basis in the period the related services are rendered Differences between these accruals and final third-party settlements are included in the statements of operations and changes in net assets as an adjustment to patient service revenue in the year of final settlement

Charity Care and Community Service

Philhaven provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because Philhaven does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue Criteria for charity care consider the patient's family income, net worth, and other factors

Philhaven maintains records to identify and monitor the level of charity care and community service it provides These records include the amount of charges forgone based on established rates for services and supplies furnished under its charity care and community service policies, the estimated cost of those services and the number of patients receiving services under these policies Charges forgone for charity care service were $200,078 and $183,056 for the years ended June 30, 2011 and 2010, respectively

Additionally, Philhaven sponsors certain other service programs and charity services which provide substantial benefit to the broader community Such programs include educational features for the general community as well as for other professional health care providers in the community on such topics as women's issues, pain management, stress management, substance abuse as well as other mental health issues Charity services are also provided to local disaster response professionals following traumatic events in the community

Income Taxes

Philhaven is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes The Farm's income is taxable for federal purposes as unrelated business income Philhaven and the Farm prescribe a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority in recording tax liabilities in the financial statements Measurement and recognition of the tax uncertainty occurs if the recognition threshold has been met No such liabilities are recorded at June 30, 2011 and 2010 The Organization's federal Exempt Organization Business Income Tax Returns for the years ended June 30, 2010, 2009, and 2008 remain subject to examination by the Internal Revenue Service

Subsequent Events

Philhaven has evaluated subsequent events through January 3, 2012, which is the date these financial statements were available to be issued

Reclassifications

Certain items relating to 2010 have been reclassified to conform to the 2011 reporting format

3. Net Patient Service Revenue

Philhaven has agreements with third-party payors that provide for payments to Philhaven at amounts different from its established rates Payment arrangements include per diem payments, reimbursed costs and discounted charges Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments due to future audits, reviews, and investigations Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations

Payments from Medicare for inpatient services are made as a combination of reasonable cost and prospective reimbursement basis Payments from the Medical Assistance and Blue Cross programs for inpatient services are made on a prospective basis Under these programs, payments are made at a predetermined specific rate for each day of hospital stay Outpatient services for Medicare and Medical Assistance are reimbursed principally on an established fee schedule Blue Cross reimburses outpatient services on the basis of charges

Philhaven's Medicare cost reports have been finalized through the year ended June 30, 2010 Differences between the estimated and final settlements are recorded in the year of settlement In the opinion of management, adequate provision has been made for any adjustment that may result from the final settlement of these reports Net patient service revenue for 2011 and 2010 include no favorable (unfavorable) settlements of prior-year cost reports

Combined revenues from the Medicare and Medical Assistance programs constitute approximately 70% and 72% of Philhaven's net patient service revenue for the years ended June 30, 2011 and 2010, respectively Laws and regulations governing the Medicare and Medical Assistance programs are extremely complex and subject to interpretation, and noncompliance could be subject to significant regulatory action, including fines and penalties As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

The Corporation has also entered into agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The basis for payment to the Corporation under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Philhaven believes that it is in compliance with applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretations as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medical Assistance programs

4. Investments and Assets Limited as to Use

The composition of investments is set forth in the following table

	June 30, 2011	June 30, 2010
Investments		
Mutual Funds	$ 315,771	$ 471,383
Bonds		
Government	1,908,860	1,817,683
Municipal	1,985,673	540,269
Corporate	1,275,697	2,165,535
	$ 5,486,001	$ 4,994,870

Assets limited as to use are stated at fair value as follows

	June 30, 2011	June 30, 2010
Externally designated by grant agreement, cash	$ 1,004	$ 11,116
Internally designated by Board of Directors, cash	$ 7,982	$ 5,946

	June 30, 2011	June 30, 2010
Externally designated by donors		
Cash and cash equivalents	$ 21,526	$ 26,034
Mutual funds	83,923	68,553
Bonds		
Government	75,102	150,178
Municipal	5,038	-
Certificate of Deposit	100,305	25,072
	$ 285,894	$ 269,837
Externally designated under workers' compensation trust agreement, cash	$ 40,223	$ 40,695

Investment return is comprised of the following

	Year Ended June 30, 2011	Year Ended June 30, 2010
Interest income	$ 63,628	$ 85,237
Income in investment in Limited Liability Company	55,636	55,507
Net realized gains (losses) on investments	29,305	636,513
Total investment return	$ 148,569	$ 777,257

5. Property, Equipment and Cattle

	June 30, 2011			
	Hospital	Farm	Total	Estimated Useful Lives in Years
Land	$ 355,952	$ -	$ 355,952	
Land improvements and buildings	15,877,845	610,962	16,488,807	40
Furniture, fixtures and equipment	22,689,865	447,596	23,137,461	5-15
Transportation equipment	775,387	-	775,387	4
Cattle	-	172,899	172,899	5
Construction in process	351,818	-	351,818	
	40,050,867	1,231,457	41,282,324	
Accumulated depreciation	(28,505,598)	(887,964)	(29,393,562)	
	$ 11,545,269	$ 343,493	$ 11,888,762	

	June 30, 2010			
	Hospital	Farm	Total	Estimated Useful Lives in Years
Land	$ 355,952	$ -	$ 355,952	
Land improvements and buildings	15,431,665	601,815	16,033,480	40
Furniture, fixtures and equipment	22,103,692	440,766	22,544,458	5 -15
Transportation equipment	720,951	-	720,951	4
Cattle	-	179,018	179,018	5
Construction in process	70,617	-	70,617	
	38,682,877	1,221,599	39,904,476	
Accumulated depreciation	(27,038,308)	(863,793)	(27,902,101)	
	$ 11,644,569	$ 357,806	$ 12,002,375	

Depreciation expense was $1,747,087 and $1,567,096 for the years ended June 30, 2011 and 2010, respectively There were $236,442 in construction commitments as of June 30, 2011 related to room renovations and parking additions

6. Investment in Limited Liability Company

Condensed financial information of KE LLC as of and for the periods ended June 30, 2011 and 2010 is as follows

	2011	2010
Assets		
Current assets	$ 71,713	$ 76,155
Property and equipment, net	1,278,405	1,321,041
Other assets	288	288
	$ 1,350,406	$ 1,397,484
Liabilities and Partners' Equity		
Current liabilities	$ -	$ 45,072
Long-term debt	-	93,278
Partners' equity	1,350,406	1,259,134
	$ 1,350,406	$ 1,397,484
Net revenues	$ 229,448	$ 231,734
Expenses, net	(118,176)	(120,720)
	$ 111,272	$ 111,014

Philhaven received distributions from KE LLC of $10,000 and $-0- during the years ended June 30, 2011 or 2010, respectively

7. Long-Term Debt

	June 30, 2011	June 30, 2010
Eastern Mennonite Missions, shared first mortgage on certain real property located on main campus, bearing interesting at 5 25% (adjusting in April 2015), payable in monthly payments of $32,519 including interest, due June 2020	$ 2,773,113	$ 3,006,627
Everence Financial Credit Union, shared first mortgage on certain real property located on main campus, bearing interesting at 5 58% (adjusting in May 2015), payable in monthly payments of $9,892 including interest, due June 2017	585,251	668,607
Fulton Bank, second mortgage on certain real property located on main campus, bearing interest at 7 1% (adjusting to a variable rate in January 2012), payable in monthly payments of $6,371, including interest, due January 2022	564,954	599,375
	3,923,318	4,274,609
Current portion	(372,831)	(346,262)
	$ 3,550,487	$ 3,928,347

Aggregate maturities on long-term debt as of June 30, 2011 are due in future years as follows

Year ending June 30	
2012	$ 372,831
2013	394,518
2014	417,484
2015	441,804
2016	467,560
Thereafter	1,829,121
	$ 3,923,318

Line of Credit

Philhaven has available an unsecured line of credit totaling $4,000,0000 with an interest rate equal to the 1 month LIBOR rate plus 235 basis points (4 00% at June 30, 2011 and 2010) Interest cannot fall below 4 00% This line of credit had $-0- and $76,460 outstanding at June 30, 2011 and 2010, respectively This line of credit expires November 30, 2011, but management believes this line of credit will renew without interruption to operations

In connection with certain loan agreements, Philhaven is required to meet certain financial ratios Philhaven was in compliance with all ratios at June 30, 2011

8. Accrued Expenses

Accrued expenses consist of the following at June 30

	2011	2010
Payroll	$ 1,853,826	$ 1,593,039
Payroll taxes	92,754	100,604
Compensated absences	1,137,837	1,083,822
Workers' compensation	450,360	453,819
Insurance	221,849	243,704
Interest	18,196	20,723
Other	212,564	170,636
	$ 3,987,386	$ 3,666,347

9. Pension Plan

Philhaven has a defined contribution 401(k) plan covering substantially all employees Participants may generally contribute into the plan up to a maximum of 100% of their annual salary, not to exceed $16,500 for 2011 and 2010 For employees age fifty or older provisions allow for contributions up to $22,000 Prior to January 2011, the plan provided for an annual employer base contribution and a matching contribution both at Philhaven's discretion During the year ended June 30, 2011, management determined to forgo the employer base pension contribution beginning January 1, 2010 Pension expense was $385,779 and ($115,574) (net of foregone contribution) for the years ended June 30, 2011 and 2010, respectively

10. Net Assets

Temporarily restricted net assets consist of the following at June 30

	June 30, 2011	June 30, 2010
Caring Fund	$ 27,794	$ 46,716
Shaping Your Family's Future	-	10,139
Building Family Resources	411,725	569,297
Other	74,104	63,387
	$ 513,623	$ 689,539

Permanently restricted net assets consist of the following at June 30

	June 30, 2011	June 30, 2010
Irrevocable Trusts	$ 406,346	$ 358,542
Endowment	73,719	73,719
	$ 480,065	$ 432,261

11. Commitments and Contingencies

Professional Liability Insurance

Prior to June 30, 2001, PHICO Insurance Company, a wholly-owned insurance company of The Hospital and Health System Association of Pennsylvania, provided Philhaven's claims-made malpractice insurance coverage for all employees including certain hospital-based physicians In the third quarter of fiscal 2002, PHICO was deemed insolvent, and began liquidation under bankruptcy proceedings

Philhaven obtained other medical malpractice insurance coverage on a claims-made basis through a commercial carrier, however, the new policy does not cover pending claims that may be settled related to the coverage periods of the prior PHICO policies Management is not aware of any asserted claims that would not be covered under its current insurance arrangement Any claims not covered under the current insurance arrangement would be reflected in the financial statements in subsequent periods, and may have a material effect on those financial statements

Workers' Compensation Insurance

Philhaven is self-insured for workers' compensation claims in accordance with the Department of Labor and Industry for Self-Insurance status under the Pennsylvania Worker's Compensation Act (the Act) As required under the Act, Philhaven obtained a letter of credit in the amount of $700,000 and established a trust fund to provide a source of funds and to maintain reserves solely for the payment of workers' compensation benefits At June 30, 2011 and 2010, Philhaven has accrued $450,360 and $453,819, respectively, for potential losses These amounts were included in accrued expenses in the accompanying balance sheets

Litigation

Philhaven is involved in certain litigation, which involves professional and general liability In the opinion of management, all claims are covered under its General Liability Insurance Program Management believes the ultimate liability to be paid by Philhaven, if any, will not have a material effect on the financial condition of Philhaven In addition, Philhaven has accrued certain amounts to pay for deductibles and professional fees related to current and potential litigation These amounts are included in accrued expenses in the accompanying financial statements and amounted to $100,000 at June 30, 2011 and 2010

Operating Leases

Philhaven leases office space under various building lease arrangements Total rental expense for operating leases was $713,931 and $710,543 for the years ended June 30, 2011 and 2010, respectively Minimum future rental payments on noncancelable operating leases with terms in excess of one year at June 30, 2010 are as follows

2012	$ 470,847
2013	214,808
2014	191,895
2015	48,278

12. Related Party Transactions

At June 30, 2011 and 2010, Philhaven has outstanding unconditional promises to give from members of its Board of Directors totaling $39,900 and $39,000, respectively

Philhaven rents office space from KE LLC, of which it owns 50% (Note 6) This rental arrangement began during the year ended June 30, 2007 Total rental expense incurred to KE LLC amounted to $153,690 and $182,542 for the years ended June 30, 2011 and 2010, respectively

13. Functional Expenses

Philhaven provides general health care services to residents within its geographic location Philhaven's expenses related to providing these services are as follows

	June 30, 2011	June 30, 2010
Health care services	$ 48,163,301	$ 46,393,694
General and administrative	6,045,360	5,352,552
Farm expenses	387,257	359,543
Subtotal	54,595,918	52,105,789
Fundraising expenses (included in non-operating activities)	258,091	208,904
Total	$ 54,854,009	$ 52,314,693

14. Concentrations of Credit Risk

Financial instruments which subject Philhaven to concentrations of credit risk consist primarily of cash and cash equivalents, including overnight repurchase agreements, investments, interest-bearing deposits and patient receivables Philhaven typically maintains cash and cash equivalents and interest-bearing deposits at commercial banks and these accounts are subject to FDIC insurance limits At June 30, 2011, Philhaven had cash and cash equivalents of $2,254,409 in various investment accounts not covered by FDIC insurance limits At times throughout the year, bank account balances may exceed FDIC insurance limits At June 30, 2011, the FDIC insured depositor funds up to $250,000 At June 30, 2011, Philhaven had approximately $-0- in excess of the federally insured limit Overnight investments are mainly commercial paper issued by Fulton Financial Corporation In addition to the cash and cash equivalents noted above, board-designated, donor-restricted funds, and unrestricted investments consist of variable demand notes, and debt and equity securities, the market value of which is subject to various market fluctuations including changes in the interest rate environment and general economic conditions

Philhaven's primary operations are located in Lebanon, Pennsylvania Its service area includes Lebanon, Pennsylvania and surrounding communities in South Central Pennsylvania

Philhaven grants credit without collateral to its patients and other third-party payors, primarily Medicare, Medical Assistance, Blue Cross and various commercial insurance and managed care companies The mix of receivables from patients and third-party payors is as follows

	June 30,	
	2011	2010
Medicare	11 %	12 %
Medical Assistance	52	51
Blue Cross	8	6
Other third-party payors	15	19
Patients	14	12
	100 %	100 %

15. Fair Value Measurements

The Corporation measures its assets whose use is limited, investments, and beneficial interests in perpetual trusts on a recurring basis in accordance with the fair value hierarchy The financial instruments were measured with the following inputs at June 30, 2011 and 2010

	2011			
	Total	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
Investments and assets limited as to use (excluding current assets)				
Cash	$ 69,731	$ 69,731	$ -	$ -
Mutual funds	399,694	399,694	-	-
Bonds				
Government	1,983,962	1,983,962	-	-
Municipal	1,990,711	1,990,711	-	-
Corporate	1,275,697	1,275,697	-	-
Certificates of deposit	100,305	100,305	-	-
	$ 5,820,100	$ 5,820,100	$ -	$ -
Beneficial interest in irrevocable trusts	$ 406,346	$ -	$ -	$ 406,346

Changes in the beneficial interest in perpetual trust assets in 2011 are as follows

Beginning balance, June 30, 2010	$ 358,542
Valuation gain	47,804
Ending balance, June 30, 2011	$ 406,346

	2010			
	Total	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
Investments and assets limited as to use (excluding current assets)				
Cash	$ 72,675	$ 72,675	$ -	$ -
Mutual funds	539,936	539,936	-	-
Bonds				
Government	1,967,861	1,967,861	-	-
Municipal	540,269	540,269	-	-
Corporate	2,165,535	2,165,535	-	-
Certificates of deposit	25,072	25,072	-	-
	$ 5,311,348	$ 5,311,348	$ -	$ -
Beneficial interest in irrevocable trusts	$ 358,542	$ -	$ -	$ 358,542

Changes in the beneficial interest in perpetual trust assets in 2010 is as follows

Beginning balance, June 30, 2009	$ 338,474
Valuation gain	20,068
Ending balance, June 30, 2010	$ 358,542

The investment gains (losses) on perpetual trusts for the years ended June 30, 2011 and 2010 is included in the changes in permanently restricted net assets

Long-Term Investments and Beneficial Interest in Irrevocable Trusts

The fair value of long-term investments (carried at fair value) are determined by obtaining quoted market prices on nationally recognized securities exchanges (Level 1)

Beneficial Interest in Irrevocable Trusts

The fair value of the beneficial interest in perpetual trusts is based on Philhaven's interest in the fair value of the underlying assets, which approximate the present value of estimated future cash flows to be received from the trusts

The fair value amounts have been measured as of June 30, 2011 and 2010, and have not been re-evaluated or updated for the purposes of these financial statements subsequent to those respective dates As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end

16. Accounts Receivable - Health Insurance Plan

On December 6, 2010, Philhaven was informed by the MHS Alliance that the health insurance plan, of which Philhaven is a member, is overfunded The Board of the MHS Alliance has agreed to make a distribution of the over funded amount to its members On February 16, 2011, Philhaven received a $2,524,437 distribution, $475,174 of which was reflected as an expense reduction On January 27, 2011, Philhaven was informed of an additional distribution The actual amount of this distribution to be paid to Philhaven and the other members is currently being determined However, MHS Alliance has provided projected amounts to its members Philhaven has recorded $1,763,346 at June 30, 2011 Philhaven believes the actual amount received in the next fiscal year will not significantly differ from amounts recorded

ParenteBeard

Independent Auditors' Report on Supplementary Information

Board of Directors
Philhaven

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole The accompanying combining schedules are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual companies and are not a required part of the combined financial statements Such information has been subjected to the auditing procedures applied in our audits of the combined financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole

ParenteBeard LLC

Lancaster, Pennsylvania
January 3, 2012

Philhaven

Combining Balance Sheet
June 30, 2011 and 2010

Assets	2011 Hospital	2011 Farm	2011 Total	2010 Hospital	2010 Farm	2010 Total
Current Assets						
Cash and cash equivalents	$2,335,714	$65,095	$2,400,809	$1,167,686	$88,698	$1,256,384
Assets limited as to use, grant agreements	1,004	-	$1,004	11,116	-	11,116
Patient accounts receivable, net of allowances for uncollectible accounts 2011 $350,308, 2010 $239,619	6,786,677	-	6,786,677	5,758,573	-	5,758,573
Estimated settlements due from third-party payors	638,193	-	638,193	635,733	-	635,733
Grant receivable	-	-	-	450,000	-	450,000
Prepaid expenses and other assets	1,390,308	56,412	1,446,720	1,349,520	47,132	1,396,652
Accounts receivable - insurance recovery	1,763,346	-	1,763,346			
Unconditional promises to give	165,376	-	165,376	217,258	-	217,258
Total current assets	13,080,618	121,507	13,202,125	9,589,886	135,830	9,725,716
Investments	5,170,230	315,771	5,486,001	4,728,320	266,550	4,994,870
Assets Limited as to Use						
Board-designated	7,982	-	7,982	5,946	-	5,946
Donor restricted	285,894	-	285,894	269,837	-	269,837
Funds held by trustee for workers' compensation	40,223	-	40,223	40,695	-	40,695
Total assets limited as to use	334,099	-	334,099	316,478	-	316,478
Property, Equipment and Cattle, Net	11,545,269	343,493	11,888,762	11,644,569	357,806	12,002,375
Beneficial Interest in Irrevocable Trusts	406,346	-	406,346	358,542	-	358,542
Unconditional Promises to Give	273,292	-	273,292	314,909	-	314,909
Investment in Limited Liability Company	936,246	-	936,246	890,610	-	890,610
Other Assets	75,017	-	75,017	81,353	-	81,353
Total assets	$31,821,117	$780,771	$32,601,888	$27,924,667	$760,186	$28,684,853

Philhaven

Combining Balance Sheet
June 30, 2011 and 2010

Liabilities and Net Assets	2011 Hospital	2011 Farm	2011 Total	2010 Hospital	2010 Farm	2010 Total
Current Liabilities						
Bank line of credit	$ -	$ -	$ -	$ 76,460	$ -	$ 76,460
Current maturities of long-term debt	372,831	-	372,831	346,262	-	346,262
Accounts payable	1,285,251	4,425	1,289,676	1,051,691	7,416	1,059,107
Accrued expenses	3,995,418	(8,032)	3,987,386	3,682,839	(16,492)	3,666,347
Advances and estimated settlements due to third-party payors	97,267	-	97,267	97,267	-	97,267
Total current liabilities	5,750,767	(3,607)	5,747,160	5,254,519	(9,076)	5,245,443
Long-Term Debt, Net	3,550,487	-	3,550,487	3,928,347	-	3,928,347
Total liabilities	9,301,254	(3,607)	9,297,647	9,182,866	(9,076)	9,173,790
Net Assets						
Unrestricted	21,526,176	784,378	22,310,554	17,620,001	769,262	18,389,263
Temporarily restricted	513,623	-	513,623	689,539	-	689,539
Permanently restricted	480,064	-	480,064	432,261	-	432,261
Total net assets	22,519,863	784,378	23,304,241	18,741,801	769,262	19,511,063
Total liabilities and net assets	$31,821,117	$780,771	$32,601,888	$27,924,667	$760,186	$28,684,853

Philhaven

Combining Statement of Operations and Changes in Unrestricted Net Assets
Years Ended June 30, 2011 and 2010

	2011			2010		
	Hospital	Farm	Total	Hospital	Farm	Total
Unrestricted Net Assets						
Revenue						
Net patient service revenue	$53,381,176	$ -	$53,381,176	$51,046,124	$ -	$51,046,124
Sales	-	521,215	521,215	-	458,603	458,603
Grant revenue	-	-	-	561,235	-	561,235
Other	355,702	5,704	361,406	335,103	4,497	339,600
Net assets released from restrictions used for operations	252,259	-	252,259	176,514	-	176,514
Total revenue	53,989,137	526,919	54,516,056	52,118,976	463,100	52,582,076
Expenses						
Salaries and wages	34,363,121	-	34,363,121	33,149,337	-	33,149,337
Professional fees	745,904	72,661	818,565	629,747	71,425	701,172
Employee benefits	8,726,361	-	8,726,361	8,163,186	-	8,163,186
Supplies and other	7,968,077	279,698	8,247,775	7,743,286	248,086	7,991,372
Interest	292,075	-	292,075	300,050	-	300,050
Depreciation and amortization	1,714,556	34,898	1,749,454	1,529,634	40,032	1,569,666
Provision for bad debts	398,567	-	398,567	231,006	-	231,006
Total expenses	54,208,661	387,257	54,595,918	51,746,246	359,543	52,105,789
Income (loss) from operations	(219,524)	139,662	(79,862)	372,730	103,557	476,287

Philhaven

Combining Statement of Operations and Changes in Unrestricted Net Assets
Years Ended June 30, 2011 and 2010

	2011			2010		
	Hospital	Farm	Total	Hospital	Farm	Total
Nonoperating Gains (Losses)						
Investment return	$135,870	$12,699	$148,569	$766,723	$10,534	$777,257
Return of premium from health insurance plan	3,812,609	-	3,812,609	-	-	-
Gifts and bequests	294,562	-	294,562	413,707	-	413,707
Fundraising expenses	(258,091)	-	(258,091)	(208,904)	-	(208,904)
Net assets released from restrictions used for fundraising expenses	827	-	827	10,289	-	10,289
Net assets released from restrictions used for capital projects	13,350	-	13,350	602,806		602,806
Gain (loss) on sale of equipment	(7,309)	-	(7,309)	3,173	-	3,173
Income tax expense	-	(41,831)	(41,831)	-	9,592	9,592
Non-operating gains (losses), net	3,991,818	(29,132)	3,962,686	1,587,794	20,126	1,607,920
Excess of revenue over expenses	3,772,294	110,530	3,882,824	1,960,524	123,683	2,084,207
Other Changes in Unrestricted Net Assets						
Inter-department Transfer	140,000	(140,000)	-			
Net unrealized gains on investments	(6,120)	44,586	38,466	11,581	8,340	19,921
Total other changes in unrestricted net assets	133,880	(95,414)	38,466	11,581	8,340	19,921
Increase (decrease) in unrestricted net assets	$3,906,174	$15,116	$3,921,290	$1,972,105	$132,023	$2,104,128

Additional Data

Software ID:
Software Version:
EIN: 23-1548822
Name: PHILHAVEN

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

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

PHILHAVEN PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES BECAUSE PHILHAVEN DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE CRITERIA FOR CHARITY CARE CONSIDER THE PATIENT'S FAMILY INCOME, NET WORTH, ETC PHILHAVEN MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE AND COMMUNITY SERVICE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FOREGONE BASED ON ESTABLISHED RATES FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE AND COMMUNITY SERVICES POLICIES, THE ESTIMATED COST OF THOSE SERVICES AND THE NUMBER OF PATIENTS RECEIVING SERVICES UNDER THESE POLICIES CHARGES FOREGONE FOR CHARITY CARE SERVICE WERE $200,078 AND $183,056 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010, RESPECTIVELY ADDITIONALLY, PHILHAVEN SPONSORS CERTAIN OTHER SERVICE PROGRAMS AND CHARITY SERVICES WHICH PROVIDE SUBSTANTIAL BENEFIT TO THE BROADER COMMUNITY SUCH PROGRAMS INCLUDE EDUCATIONAL FEATURES FOR THE GENERAL COMMUNITY AS WELL AS FOR OTHER PROFESSIONAL HEALTH CARE PROVIDERS IN THE COMMUNITY ON SUCH TOPICS AS WOMEN'S ISSUES, PAIN MANAGEMENT, STRESS MANAGEMENT, SUBSTANCE ABUSE AS WELL AS OTHER MENTAL HEALTH ISSUES CHARITY SERVICES ARE ALSO PROVIDED TO LOCAL DISASTER RESPONSE PROFESSIONALS FOLLOWING TRAUMATIC EVENTS IN THE COMMUNITY