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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
GOOD SHEPHERD REHABILITATION NETWORK

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
GOOD SHEPHERD PLAZA 850 S 5TH ST

City or town, state or country, and ZIP + 4
ALLENTOWN, PA 18103

D Employer identification number
23-2216041

E Telephone number
(610) 776-3303

G Gross receipts $ 65,640,365

F Name and address of principal officer
DANIEL C CONFALONE
GOOD SHEPHERD PLAZA 850 S 5TH ST
ALLENTOWN, PA 18103

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 GOODSHEPHERDREHAB ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1908 | **M** State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO ENHANCE LIVES, MAXIMIZE FUNCTION, INSPIRE HOPE, AND PROMOTE DIGNITY AND WELL-BEING

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	14
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	0
6	Total number of volunteers (estimate if necessary)	**6**	282
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	210,599
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	209,099

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	4,688,896	3,468,259
9	Program service revenue (Part VIII, line 2g)	43,167,402	46,120,860
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,583,209	6,279,779
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,178,555	1,322,105
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	53,618,062	57,191,003
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,166,902	2,058,601
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)	26,362,509	28,910,390
16a	Professional fundraising fees (Part IX, column (A), line 11e)	39,000	39,000
b	Total fundraising expenses (Part IX, column (D), line 25) ▶2,280,980		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	22,802,923	22,251,179
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	51,371,334	53,259,170
19	Revenue less expenses Subtract line 18 from line 12	2,246,728	3,931,833
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	238,885,631	286,837,775
21	Total liabilities (Part X, line 26)	141,629,405	148,960,594
22	Net assets or fund balances Subtract line 21 from line 20	97,256,226	137,877,181

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

****** | 2012-04-30
Signature of officer | Date

DANIEL C CONFALONE SVP FINANCE/CFO
Type or print name and title

Paid Preparer Use Only

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

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

GOOD SHEPHERD'S MISSION IS "MOTIVATED BY THE DIVINE GOOD SHEPHERD AND THE PHYSICAL AND COGNITIVE REHABILITATION NEEDS OF OUR COMMUNITIES, OUR MISSION IS TO ENHANCE LIVES, MAXIMIZE FUNCTION, INSPIRE HOPE, AND PROMOTE DIGNITY AND WELL-BEING WITH EXPERTISE AND COMPASSION "

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 $ 36,425,700 including grants of $ 2,058,601) (Revenue $ 45,804,045)

GOOD SHEPHERD REHABILITATION NETWORK ("GSRN"), BASED IN ALLENTOWN, PENNSYLVANIA, IS A NATIONALLY RECOGNIZED REHABILITATION LEADER, OFFERING A CONTINUUM OF CARE FOR PEOPLE WITH PHYSICAL AND COGNITIVE DISABILITIES AND SPECIALIZING IN ASSISTIVE AND REHABILITATION TECHNOLOGY MORE THAN 46,000 PEOPLE CAME TO GOOD SHEPHERD'S LEHIGH VALLEY-BASED FACILITIES IN FISCAL YEAR 2011 SPECIALIZED INPATIENT AND OUTPATIENT POST-ACUTE CARE PROGRAMS OFFERED BY GSRN INCLUDE STROKE, ORTHOPEDICS, BRAIN INJURY, SPINE AND JOINT PAIN, SPINAL CORD INJURY, PEDIATRICS, MULTIPLE SCLEROSIS AND AMPUTATION GOOD SHEPHERD OPERATES 21 OUTPATIENT SITES, 5 INPATIENT SITES, A LONG-TERM ACUTE CARE HOSPITAL, 2 LONG-TERM CARE HOMES FOR PEOPLE WITH SEVERE DISABILITIES, AN INDEPENDENT LIVING FACILITY, AND A WORK SERVICES DIVISION THAT PROVIDES EMPLOYMENT TRAINING AND JOB PLACEMENT GOOD SHEPHERD ALSO IS THE MAJORITY OWNER OF A JOINT VENTURE WITH PENN MEDICINE IN PHILADELPHIA, PENNSYLVANIA GOOD SHEPHERD PENN PARTNERS ("GSPP") PROVIDES THE PHILADELPHIA REGION WITH A CONTINUUM OF POST-ACUTE CARE THAT INCLUDES INPATIENT AND OUTPATIENT REHABILITATION AND LONG-TERM ACUTE CARE TEN GSPP PENN THERAPY & FITNESS LOCATIONS PROVIDE OUTPATIENT REHABILITATION SERVICES THROUGHOUT THE GREATER PHILADELPHIA AREA, WHILE PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY SERVICES ARE PROVIDED WITHIN PENN MEDICINE'S THREE ACUTE-CARE HOSPITALS APPROXIMATELY 16,000 PERSONS IN THE GREATER PHILADELPHIA AREA RECEIVED CARE IN FISCAL YEAR 2011 GSRN WAS FOUNDED IN 1908 WHEN THE REV JOHN AND ESTELLA RAKER INVITED A DISABLED ORPHAN NAMED VIOLA INTO THEIR ALLENTOWN, PENNSYLVANIA HOME GSRN IS AFFILIATED WITH THE EVANGELICAL LUTHERAN CHURCH IN AMERICA AND PROVIDES REHABILITATION SERVICES AT MORE THAN 30 LOCATIONS IN 8 EASTERN PENNSYLVANIA COUNTIES GOOD SHEPHERD'S MISSION IS "MOTIVATED BY THE DIVINE GOOD SHEPHERD AND THE PHYSICAL AND COGNITIVE REHABILITATION NEEDS OF OUR COMMUNITIES, OUR MISSION IS TO ENHANCE LIVES, MAXIMIZE FUNCTION, INSPIRE HOPE, AND PROMOTE DIGNITY AND WELL-BEING WITH EXPERTISE AND COMPASSION "GSRN IS THE PARENT ORGANIZATION OF 6 TAX-EXEMPT AFFILIATES THAT OFFER MANY LEVELS OF REHABILITATION CARE GSRN IS ALSO THE PARENT ORGANIZATION OF ONE TAXABLE AFFILIATE THAT IS A SELF-INSURANCE COMPANY AS THE PARENT ORGANIZATION, GSRN OPERATES ALL CORPORATE ADMINISTRATIVE FUNCTIONS FOR THE GOOD SHEPHERD AFFILIATES, INCLUDING BUT NOT LIMITED TO ADMINISTRATION, DIETARY, FINANCE, FUNDRAISING, HUMAN RESOURCES, INFORMATION SYSTEMS, MAINTENANCE, MARKETING AND PASTORAL CARE

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 36,425,700

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		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
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	Yes	
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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	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		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, 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		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
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		

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**	Yes	
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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**	Yes	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**	Yes	
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**	Yes	
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	202		
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	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	
	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	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b	

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	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		No
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		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ PA , FL , MN

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 ▶

DANIEL C CONFALONE SVP FINANCECF
GOOD SHEPHERD PLAZA 850 SOUTH 5TH
ALLENTOWN, PA 18103
(610) 776-3303

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) SCOTT A BAKER SECRETARY	30	X		X				0	0	0
(2) SANDRA L BODNYK TREASURER	40	X		X				0	0	0
(3) PATRICK J BRENNAN MD TRUSTEE	30	X						0	0	0
(4) ADDIE J BUTLER EDD TRUSTEE	30	X						0	0	0
(5) DAVID G DECAMPLI CHAIR	70	X		X				0	0	0
(6) RICHARD E DROBNICKI VICE CHAIR	70	X		X				0	0	0
(7) ROBERT E GADOMSKI TRUSTEE	30	X						0	0	0
(8) MICHAEL GOLDNER DO TRUSTEE	20	X						0	0	0
(9) ELSBETH G HAYMON TRUSTEE	30	X						0	0	0
(10) KATHERINE E HILGERT TRUSTEE	20	X						0	0	0
(11) SANDRA JARVA WEISS TRUSTEE	20	X						0	0	0
(12) JAAN PETER NAKTIN MD TRUSTEE	20	X						0	0	0
(13) GERALD A NAU TRUSTEE	20	X						0	0	0
(14) EDITH D RITTER TRUSTEE	20	X						0	0	0
(15) GARY R SCHMIDT TRUSTEE	30	X						0	0	0
(16) THE REV DAVID R STROBEL TRUSTEE	20	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) DANIEL J WILSON PHD TRUSTEE	30	X						0	0	0
(18) SARA T GAMMON PRESIDENT/CEO	30 00	X		X				501,846	0	192,186
(19) DANIEL C CONFALONE ASST SECRETARY, SVP FINANCE/CFO	22 00			X				280,650	0	35,311
(20) PHILLIP R BRYANT CMO	7 50				X			341,079	0	46,991
(21) ANTHONY R BONGIOVANNI CPO	22 00				X			217,963	0	96,197
(22) SAMUEL A MIRANDA JR CNO	10 00				X			205,303	0	77,371
(23) HAROLD M TING SVP STRATEGIC PLANNING	30 00					X		190,527	0	27,173
(24) LEIGHTON B MCKEITHEN III SVP ADV THE INSTITUTION	30 00					X		164,186	0	21,194
(25) FRANK J HYLAND VP REHAB SVCS	30 00					X		150,486	0	18,553
(26) DAVID F LYONS VP DEVELOPMENT	30 00					X		150,194	0	20,931
(27) RONALD J PETULA VP FINANCE	22 00					X		133,916	0	19,672
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								2,336,150	0	555,579

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 ▶ 17

			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
SODEXHO OPERATIONS LLC 4880 PAYSPHERE CIRCLE CHICAGO, IL 60674	DIETARY/FOOD SERVICES	1,719,796
EASTON COACH COMPANY 1200 CONROY PLACE EASTON, PA 18040	TRANSPORTATION SERVICES	505,057
HCSC LAUNDRY PO BOX 25092 LEHIGH VALLEY, PA 18002	LAUNDRY SERVICES	365,053
MILLER MILLER AND MCLACHLAN INC 1249 NEWPORT AVENUE NORTHAMPTON, PA 18067	GENERAL CONTRACTOR	338,332
FINANCIAL RECOVERIES 200 EAST PARK DRIVE SUITE 100 MOUNT LAUREL, NJ 08054	COLLECTION SERVICES	310,325

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 ▶ 20

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	32,788				
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations					
	e	Government grants (contributions)					
	f	All other contributions, gifts, grants, and similar amounts not included above	3,435,471				
	g	Noncash contributions included in lines 1a-1f $	5,697				
	h	**Total.** Add lines 1a-1f		3,468,259			
Program Service Revenue			Business Code				
	2a	MANAGEMENT FEES	561000	45,804,045	45,804,045		
	b	HEALTH NETWORK LABS RE	621500	316,815		316,815	
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		46,120,860			
	3	Investment income (including dividends, interest and other similar amounts)		5,506,148			5,506,148
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross Rents	137,585				
	b	Less rental expenses	243,801				
	c	Rental income or (loss)	-106,216				
	d	Net rental income or (loss)		-106,216		-106,216	
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	8,978,663 / 529				
	b	Less cost or other basis and sales expenses	8,205,561				
	c	Gain or (loss)	773,102 / 529				
	d	Net gain or (loss)		773,631			773,631
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b	Less direct expenses b					
	c	Net income or (loss) from fundraising events					
	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	EXPENSE REIMBURSEMENT	900099	1,196,828			1,196,828
	b	PROFESSIONAL SERVICES	900099	179,494			179,494
	c	MISCELLANEOUS REVENUE	900099	44,466			44,466
	d	All other revenue		7,533			7,533
	e	**Total.** Add lines 11a–11d		1,428,321			
	12	**Total revenue.** See Instructions		57,191,003	45,804,045	210,599	7,708,100

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	2,058,601	2,058,601		
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	1,994,898	670,744	1,324,154	
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	14,078,407	7,446,961	5,914,157	717,289
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,758,217	3,625,261	83,697	49,259
9 Other employee benefits	8,012,420	7,074,819	839,781	97,820
10 Payroll taxes	1,066,448	576,905	438,723	50,820
a Fees for services (non-employees) Management				
b Legal	188,376		182,376	6,000
c Accounting	140,570		140,570	
d Lobbying				
e Professional fundraising services *See Part IV, line 17*	39,000			39,000
f Investment management fees	603,514		603,514	
g Other	7,018,953	4,038,295	2,854,023	126,635
12 Advertising and promotion				
13 Office expenses	1,492,388	806,004	414,129	272,255
14 Information technology				
15 Royalties				
16 Occupancy	1,214,943	1,198,494	16,449	
17 Travel	102,602	33,401	60,923	8,278
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	4,721		4,721	
20 Interest	5,695,715	5,695,715		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,355,223	2,284,316		70,907
23 Insurance	1,441,353	13,756	1,427,597	
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 CORPORATE ALLOCATION	744,525	19,628		724,897
b REPAIRS & MAINTENANCE	660,015	658,278	1,737	
c DUES & SUBSCRIPTIONS	172,555	32,563	137,073	2,919
d FOOD	104,445	74,919	25,525	4,001
e UBI TAX	90,696		90,696	
f All other expenses	220,585	117,040	-7,355	110,900
25 **Total functional expenses.** Add lines 1 through 24f	53,259,170	36,425,700	14,552,490	2,280,980
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			1	
	2	Savings and temporary cash investments		1,046,924	2	1,934,640
	3	Pledges and grants receivable, net		1,852,278	3	1,349,315
	4	Accounts receivable, net		79,761	4	147,661
	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			8	
	9	Prepaid expenses and deferred charges		171,901	9	224,556
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 21,882,029			
	b	Less accumulated depreciation	10b 12,357,696	10,257,984	10c	9,524,333
	11	Investments—publicly traded securities		123,823,742	11	152,029,998
	12	Investments—other securities See Part IV, line 11		77,034,068	12	94,222,856
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		24,618,973	15	27,404,416
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		238,885,631	16	286,837,775
Liabilities	17	Accounts payable and accrued expenses		5,605,528	17	6,147,471
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		119,756,001	20	117,007,178
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties		648,000	24	972,000
	25	Other liabilities Complete Part X of Schedule D		15,619,876	25	24,833,945
	26	**Total liabilities.** Add lines 17 through 25		141,629,405	26	148,960,594
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		64,119,061	27	101,432,915
	28	Temporarily restricted net assets		8,315,625	28	9,906,476
	29	Permanently restricted net assets		24,821,540	29	26,537,790
		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		97,256,226	33	137,877,181
	34	Total liabilities and net assets/fund balances		238,885,631	34	286,837,775

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	57,191,003
2	Total expenses (must equal Part IX, column (A), line 25)	2	53,259,170
3	Revenue less expenses Subtract line 2 from line 1	3	3,931,833
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	97,256,226
5	Other changes in net assets or fund balances (explain in Schedule O)	5	36,689,122
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	137,877,181

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	Yes	
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	Yes	

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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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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 331/3% 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 331/3% 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 ")	6,422,146	7,917,385	3,576,315	4,688,896	3,468,259	26,073,001
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	6,422,146	7,917,385	3,576,315	4,688,896	3,468,259	26,073,001
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						26,073,001

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	6,422,146	7,917,385	3,576,315	4,688,896	3,468,259	26,073,001
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	4,991,806	7,228,768	6,483,150	4,783,360	5,506,148	28,993,232
9 Net income from unrelated business activities, whether or not the business is regularly carried on				277,503	210,099	487,602
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	5,405		4,970	1,280,505	1,428,321	2,719,201
11 **Total support** (Add lines 7 through 10)						58,273,036

12 Gross receipts from related activities, etc (See instructions)	12	200,429,979

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	44 740 %
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	48 010 %

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).

Facts And Circumstances Test

Explanation

SCHEDULE A, PART II, LINE 10, EXPLANATION OF OTHER INCOME MISCELLANEOUS REVENUE CAFE REVENUE PROFESSIONAL SVC FEES EXPENSE REIMBURSEMENT MEDICAL RECORDS

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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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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	18,523,874	17,900,332	20,587,042		
b Contributions	229,597	643,738	654,587		
c Investment earnings or losses	2,262,789	913,701	-2,583,126		
d Grants or scholarships					
e Other expenditures for facilities and programs	886,817	933,897	758,171		
f Administrative expenses					
g End of year balance	20,129,443	18,523,874	17,900,332		

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

- a Board designated or quasi-endowment ▶ 14 000 %
- b Permanent endowment ▶ 86 000 %
- 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		820,014		820,014
b Buildings		4,656,159	2,089,686	2,566,473
c Leasehold improvements		128,622	76,101	52,521
d Equipment		15,795,493	9,863,694	5,931,799
e Other		481,741	328,215	153,526
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				9,524,333

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	46,078,582	C
(3) Other		
(A) ALTERNATIVE INVESTMENTS	28,163,045	F
(B) ALTERNATIVE INVESTMENTS	19,981,229	C
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	94,222,856	

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
(1) GUARANTEED INCOME INVESTMENT CONTRACT	2,240,558
(2) BENEFICIAL INTEREST IN PERPETUAL TRUSTS	10,657,064
(3) BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS	11,471,487
(4) DEFERRED FINANCING COSTS, NET	3,035,307
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	27,404,416

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
CHARITABLE GIFT ANNUITIES	4,564,929
WORKERS' COMPENSATION	1,594,928
ANNUITIES PAYABLE	208,826
DEFINED CONTRIBUTION PLAN LIABILITY	635,715
AMOUNTS DUE TO AFFILIATES	13,857,270
DERIVATIVE FINANCIAL INSTRUMENT	3,972,277
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	24,833,945

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	57,191,003
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	53,259,170
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,931,833
4	Net unrealized gains (losses) on investments	4	26,408,701
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	10,280,421
9	Total adjustments (net) Add lines 4 - 8	9	36,689,122
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	40,620,955

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	91,461,811
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	26,408,701		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	7,935,121		
e	Add lines **2a** through **2d**			2e	34,343,822
3	Subtract line **2e** from line **1**			3	57,117,989
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	73,014		
c	Add lines **4a** and **4b**			4c	73,014
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	57,191,003

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

1	Total expenses and losses per audited financial statements			1	50,840,856
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	243,801		
e	Add lines **2a** through **2d**			2e	243,801
3	Subtract line **2e** from line **1**			3	50,597,055
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	603,514		
b	Other (Describe in Part XIV)	4b	2,058,601		
c	Add lines **4a** and **4b**			4c	2,662,115
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	53,259,170

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	GOOD SHEPHERD'S ENDOWMENTS PROVIDE INCOME IN PERPETUITY FOR PROGRAMS AND SERVICES, INCLUDING RESEARCH, TECHNOLOGY, PEDIATRICS, LONG TERM CARE OPERATIONS AND RECREATION, EDUCATION, GENERAL AND NEUROREHABILITATION PROGRAMS, WORK SERVICES, AND FOR THE GENERAL SUPPORT OF GOOD SHEPHERD'S OPERATIONS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	GOOD SHEPHERD PRESCRIBES 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 GOOD SHEPHERD'S POLICY IS TO RECOGNIZE INTEREST RELATED TO UNRECOGNIZED TAX BENEFITS IN INTEREST EXPENSE AND PENALTIES IN OPERATING EXPENSES
PART XI, LINE 8 - OTHER ADJUSTMENTS		INCOME ON INVESTMENT IN UNCONSOLIDATED SUBSIDIARY 6,764,521 INEFFECTIVENESS OF DERIVATIVE FINANCIAL INSTRUMENT 616,905 CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS 93,257 PENSION LIABILITY ADJUSTMENT - UNCONSOLIDATED SUBSIDIARY 369,660 OTHER CHANGES IN UNRESTRICTED NET ASSETS 541,782 OTHER CHANGES IN TEMPORARILY RESTRICTED NET ASSETS - 195,361 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS 952,373 VALUATION GAIN, BENEFICIAL INTEREST IN PERPETUAL TRUSTS 1,454,099 REDUCTION IN EQUITY TO REPORT HEALTH NETWORK LABS REVENUE - 316,815
PART XII, LINE 2D - OTHER ADJUSTMENTS		INCOME ON INVESTMENT IN UNCONSOLIDATED SUBSIDIARY 6,764,521 INEFFECTIVENESS OF DERIVATIVE FINANCIAL INSTRUMENT 616,905 CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS 93,257 PENSION LIABILITIY ADJUSTMENT - UNCONSOLIDATED SUBSIDIARY 369,660 OTHER CHANGES IN UNRESTRICTED NET ASSETS 541,782 OTHER CHANGES IN TEMPORARILY RESTRICTED NET ASSETS - 195,361 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS 952,373 VALUATION GAIN, BENEFICIAL INTEREST IN PERPETUAL TRUSTS 1,454,099 TRANSFERS TO AFFILIATES -2,058,601 INVESTMENT EXPENSES - 603,514
PART XII, LINE 4B - OTHER ADJUSTMENTS		RENTAL EXPENSES -243,801 HEALTH NETWORK LABS REV 316,815
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 243,801
PART XIII, LINE 4B - OTHER ADJUSTMENTS		TRANSFERS TO AFFILIATES 2,058,601

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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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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
SCHULTZ AND WILLIAMS 325 CHESTNUT STREET SUITE 700 PHILADELPHIA, PA 19106	DIRECT MAIL CONSULTING		No	0	39,000	-39,000
Total . . . . . ▶					39,000	-39,000

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, FL, MN

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 (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				
	2 Less Charitable contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				

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
EXPLANATION OF FUNDRAISING PAYMENTS	SCHEDULE G, PART I, LINE 2B, COLUMN (V)	THE TOTAL AMOUNT PAID TO SCHULTZ AND WILLIAMS FOR FISCAL YEAR JUNE 30, 2011 WAS $235,996 THE $39,000 REPORTED IN SCHEDULE G, PART I RELATES TO DIRECT MAIL CONSULTING THE REMAINING PAYMENTS MADE TO SCHULTZ AND WILLIAMS WERE FOR OTHER SERVICES SUCH AS CREATIVE FEES, PRINTING, LETTERSHOP, LIST ACQUISITION AND MANAGEMENT, MERGE AND PURGE, SHIPPING AND POSTAGE SCHULTZ AND WILLIAMS INVOICES ARE VERY SPECIFIC AND INDICATE THE AMOUNT BILLED FOR EACH ACTIVITY THE AMOUNT OF CONTRIBUTIONS RECEIVED AS A RESULT OF THIS CONSULTING COULD NOT BE EASILY DETERMINED

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INCGOOD SHEPHERD PLAZA 850 SOUTH 5TH STREET ALLENTOWN,PA 18103	23-2215800	501(C)(3)	393,270		N/A	N/A	CHARITABLE ACTIVITIES
(2) GOOD SHEPHERD REHABILITATION HOSPITALGOOD SHEPHERD PLAZA 850 SOUTH 5TH STREET ALLENTOWN,PA 18103	23-1371947	501(C)(3)	1,587,587		N/A	N/A	CHARITABLE ACTIVITIES
(3) GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC1901 LEHIGH STREET ALLENTOWN,PA 18103	23-2215801	501(C)(3)	77,744		N/A	N/A	CHARITABLE ACTIVITIES

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 3

3 Enter total number of other organizations . . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 ALL RECIPIENTS ARE AFFILIATED TAX-EXEMPT ORGANIZATIONS GSRN SERVES AS THE PARENT ENTITY AND IS AWARE OF THE OPERATIONS AND USE OF FUNDS RECEIVED

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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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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**	Yes	
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**	Yes	
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**	Yes	
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**	Yes	
b	Any related organization?	**5b**	Yes	
	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**	Yes	
b	Any related organization?	**6b**	Yes	
	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) SARA T GAMMON	(i)	501,846	0	0	175,460	16,726	694,032	0
	(ii)	0	0	0	0	0	0	0
(2) DANIEL C CONFALONE	(i)	280,650	0	0	19,726	15,585	315,961	0
	(ii)	0	0	0	0	0	0	0
(3) PHILLIP R BRYANT	(i)	341,079	0	0	23,974	23,017	388,070	0
	(ii)	0	0	0	0	0	0	0
(4) ANTHONY R BONGIOVANNI	(i)	217,963	0	0	69,226	26,971	314,160	0
	(ii)	0	0	0	0	0	0	0
(5) SAMUEL A MIRANDA JR	(i)	205,303	0	0	45,612	31,759	282,674	0
	(ii)	0	0	0	0	0	0	0
(6) HAROLD M TING	(i)	190,527	0	0	13,392	13,781	217,700	0
	(ii)	0	0	0	0	0	0	0
(7) LEIGHTON B MCKEITHEN III	(i)	47,878	0	116,308	11,540	9,654	185,380	0
	(ii)	0	0	0	0	0	0	0
(8) FRANK J HYLAND	(i)	150,486	0	0	10,577	7,976	169,039	0
	(ii)	0	0	0	0	0	0	0
(9) DAVID F LYONS	(i)	150,194	0	0	10,557	10,374	171,125	0
	(ii)	0	0	0	0	0	0	0
(10) RONALD J PETULA	(i)	133,916	0	0	9,413	10,259	153,588	0
	(ii)	0	0	0	0	0	0	0
(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
	PART I, LINE 1A	GOOD SHEPHERD DOES NOT PAY ANY DUES ON BEHALF OF CEO, SARA GAMMON, DIRECTLY TO A SOCIAL CLUB GOOD SHEPHERD REIMBURSES THE CEO FOR CERTAIN SOCIAL CLUB DUES RELEVANT IN PURSUING THE OVERALL MISSION OF GOOD SHEPHERD THESE EXPENSES ARE ACCOUNTED FOR UNDER AN ACCOUNTABLE REIMBURSEMENT PLAN THE AMOUNT OF THIS REIMBURSEMENT IS INCLUDED IN MS GAMMON'S TAXABLE COMPENSATION
	PART I, LINE 4A	LEIGHTON B MCKEITHEN, III, ONE OF THE TOP FIVE HIGHEST COMPENSATED EMPLOYEES, RECEIVED A SEVERANCE PAYMENT OF $116,308 IN CALENDAR YEAR 2010
	PART I, LINE 5	GSRN HAS A PERFORMANCE COMPENSATION PROGRAM IN PLACE WHICH IS APPROVED BY THE BOARD CERTAIN MEMBERS OF MANAGEMENT CAN RECEIVE AN ANNUAL PERFORMANCE PAYMENT ONLY WHEN PRE-DEFINED AND PRE-APPROVED FINANCIAL AND NON-FINANCIAL GOALS ARE ACHIEVED FOR FISCAL YEAR 2011, A PERFORMANCE PAYMENT WAS ACHIEVED THIS IS NOT GUARANTEED EACH YEAR
	PART I, LINE 6	GSRN HAS A PERFORMANCE COMPENSATION PROGRAM IN PLACE WHICH IS APPROVED BY THE BOARD CERTAIN MEMBERS OF MANAGEMENT CAN RECEIVE AN ANNUAL PERFORMANCE PAYMENT ONLY WHEN PRE-DEFINED AND PRE-APPROVED FINANCIAL AND NON-FINANCIAL GOALS ARE ACHIEVED FOR FISCAL YEAR 2011, A PERFORMANCE PAYMENT WAS ACHIEVED THIS IS NOT GUARANTEED EACH YEAR

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	LEHIGH COUNTY GENERAL PURPOSE AUTHORITY	91-1886539	5248053C0	06-23-2004	32,011,735	FINANCE CAPITAL PRJCTS, ESTABLISH DEBT SERV RESERVE, PAY COSTS OF BONDS	X			X		X
B	LEHIGH COUNTY GENERAL PURPOSE AUTHORITY	91-1886539	5248058S0	11-15-2007	80,762,939	REFUND 1997 BONDS, FINANCE CAP INVSTMTS, ESTABLISH DEBT SERV RSRV, PAY COSTS	X			X		X
C	LEHIGH COUNTY GENERAL PURPOSE AUTHORITY	91-1886539	52480RAB6	04-23-2008	13,015,000	TO REFUND THE 2000 BONDS AND PAY COSTS OF 2008 BONDS	X			X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	32,011,735	80,762,939	13,015,000	
4	Gross proceeds in reserve funds	2,237,206	6,083,375		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	26,349,100	26,349,100	12,760,000	
7	Issuance costs from proceeds	637,720	1,276,006	177,306	
8	Credit enhancement from proceeds	1,295,173	1,295,173	52,318	
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	29,136,809	45,712,973		
11	Other spent proceeds				
12	Other unspent proceeds	46,312	46,312	25,376	
13	Year of substantial completion	2007	2009	2008	

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X		X		X			
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X			
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %		0 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2	Is the bond issue a variable rate issue?		X	X		X			
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X		X			
b	Name of provider	MERRILL LYNCH CAPITAL SERVICES		MERRILL LYNCH CAPITAL SERVICES		MERRILL LYNCH CAPITAL SERVICES			
c	Term of hedge	20 900000000000		20 900000000000		26 500000000000			
d	Was the hedge superintegrated?		X		X		X		
e	Was a hedge terminated?		X		X		X		
4a	Were gross proceeds invested in a GIC?	X			X		X		
b	Name of provider	BANK OF NEW YORK MELLON							
c	Term of GIC	10 300000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X		X		X		

Part V Supplemental Information

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

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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Identifier	Return Reference	Explanation
	FORM 990, PART V, LINE 2	THE SALARY AND BENEFIT EXPENSES REPORTED ON FORM 990, PART IX, AND THE EMPLOYEE INFORMATION REPORTED ON FORM 990, PART VII, ARE THE GOOD SHEPHERD REHABILITATION NETWORK'S ("GSRN") ALLOCATED PAYROLL COSTS BASED ON TIME SPENT ALL INDIVIDUALS WORKING AT GSRN ARE EMPLOYEES OF THE GOOD SHEPHERD REHABILITATION HOSPITAL ("GSRH") AND ARE REPORTED ON ITS FORM W-3 UNDER EIN 23-1371947 GSRH IS AN AFFILIATED TAX-EXEMPT ORGANIZATION

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		TWO-THIRDS OF THE ORGANIZATION'S TRUSTEES SHALL BE ELECTED BY THE SYNOD COUNCIL OF THE NORTHEASTERN PENNSYLVANIA SYNOD OF THE EVANGELICAL CHURCH IN AMERICA

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		THE ORGANIZATION'S BYLAWS MAY BE ALTERED, AMENDED, OR REPEALED BY THE BOARD IN ADDITION, THE AMENDMENT SHALL BE APPROVED BY THE SYNOD COUNCIL OF THE NORTHEASTERN PENNSYLVANIA SYNOD OF THE EVANGELICAL CHURCH IN AMERICA BEFORE TAKING EFFECT

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE IRS FORM 990 IS PREPARED USING INFORMATION SOLICITED FROM OFFICERS, DIRECTORS, TRUSTEES, BOARD COMMITTEE MEMBERS, AND MANAGEMENT THIS GROUP OF INDIVIDUALS IS PROVIDED A DRAFT RETURN BEFORE THE FINAL RETURN IS FILED QUESTIONS, COMMENTS, AND ADDITIONAL INFORMATION PROVIDED BY THIS GROUP ARE INCORPORATED INTO THE FINAL RETURN THE FINAL RETURN IS REVIEWED AT A COMMITTEE LEVEL OF THE BOARD PRIOR TO IT BEING FILED

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THERE IS A SYSTEMATIC PROCESS COORDINATED THROUGH THE GOVERNANCE COMMITTEE WHERE THE CONFLICT OF INTEREST STATEMENTS COMPLETED ANNUALLY BY BOARD MEMBERS AND SENIOR LEADERSHIP TEAM MEMBERS ARE REVIEWED BY THE GOVERNANCE COMMITTEE WHENEVER THE COMMITTEE FEELS THE CONFLICT STATEMENT IS EITHER INCOMPLETE OR FEELS SOMETHING MAY BE MISSING, THE COMMITTEE WILL ASK MANAGEMENT TO PURSUE FURTHER DUE DILIGENCE WHEN A BOARD MEMBER DOES HAVE AN INHERENT CONFLICT, THE TRUSTEE IS ASKED TO EITHER ABSTAIN FROM VOTING OR EXCUSE HIMSELF FROM THE ROOM DURING THE DISCUSSION AND VOTING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE GOOD SHEPHERD REHABILITATION NETWORK BOARD DELEGATES RESPONSIBILITY FOR FOLLOWING ALL LEGAL AND REGULATORY REQUIREMENTS AFFECTING EXECUTIVE COMPENSATION TO THE HUMAN RESOURCES/EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD THIS COMMITTEE IS CHARGED WITH ADMINISTRATION OF COMPENSATION PRACTICES FOR OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION THIS COMMITTEE SELECTED AND USES AN INDEPENDENT CONSULTING FIRM SPECIALIZING IN HEALTHCARE EXECUTIVE COMPENSATION MATTERS AND USES COMPARABLE COMPETITIVE MARKET DATA IN THEIR ANALYSIS THE SERVICES OF AN INDEPENDENT COMPENSATION CONSULTANT (IHS) WERE UTILIZED AND THEIR LATEST REPORT TO THE HUMAN RESOURCE COMPENSATION COMMITTEE WAS DATED AUGUST 30, 2011 COMMITTEE MEETINGS ARE HELD ON AN ONGOING BASIS AND ARE DOCUMENTED IN DETAIL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	FINANCIAL STATEMENTS ARE PUBLISHED TO THE ORGANIZATION'S WEBSITE AT LEAST ANNUALLY THE GOVERNING DOCUMENTS AND POLICIES ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PART VII, SECTION A	SARA T GAMMON, DANIEL C CONFALONE, PHILLIP R BRYANT, ANTHONY R BONGIOVANNI, AND SAMUEL A MIRANDA, JR ARE OFFICERS/KEY EMPLOYEES FOR ALL 7 ENTITIES WITHIN THE GOOD SHEPHERD REHABILITATION NETWORK THEY EACH DEVOTE APPROXIMATELY 60 HOURS PER WEEK TO THE ENTIRE GROUP OF ENTITIES THE AVERAGE HOURS LISTED IN COLUMN (B) FOR EACH INDIVIDUAL REPRESENTS THE APPROXIMATE PORTION OF 60 HOURS DEVOTED TO THE GOOD SHEPHERD REHABILITATION NETWORK PER WEEK THE COMPENSATION AND BENEFIT INFORMATION REPORTED IN COLUMNS (D) AND (F) REPRESENTS WHAT EACH INDIVIDUAL EARNS FOR THEIR TIME SPENT ON THE ENTIRE GROUP OF 7 ENTITIES INFORMATION FOR THE TOP FIVE HIGHEST COMPENSATED EMPLOYEES IS REPORTED IN THE SAME MANNER, AS THESE INDIVIDUALS ALSO DEVOTE APPROXIMATELY 60 HOURS PER WEEK TO THE ENTIRE GROUP OF ENTITIES THE BOARD MEMBERS ALSO DEVOTE TIME TO FIVE OTHER ORGANIZATIONS IN THE GROUP TOTAL TIME SPENT BY BOARD MEMBERS RANGES FROM 75 HOURS PER WEEK TO 3 25 HOURS PER WEEK THE AVERAGE HOURS LISTED IN COLUMN (B) FOR EACH BOARD MEMBER REPRESENTS THE APPROXIMATE PORTION OF HOURS DEVOTED TO THE GOOD SHEPHERD REHABILITATION NETWORK PER WEEK

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 26,408,701 INCOME ON INVESTMENT IN UNCONSOLIDATED SUBSIDIARY 6,764,521 INEFFECTIVENESS OF DERIVATIVE FINANCIAL INSTRUMENT 616,905 CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS 93,257 PENSION LIABILITY ADJUSTMENT - UNCONSOLIDATED SUBSIDIARY 369,660 OTHER CHANGES IN UNRESTRICTED NET ASSETS 541,782 OTHER CHANGES IN TEMPORARILY RESTRICTED NET ASSETS -195,361 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS 952,373 VALUATION GAIN, BENEFICIAL INTEREST IN PERPETUAL TRUSTS 1,454,099 REDUCTION IN EQUITY TO REPORT HEALTH NETWORK LABS REVENUE -316,815 TOTAL TO FORM 990, PART XI, LINE 5 36,689,122

Identifier	Return Reference	Explanation
	FORM 990, PART XI, LINE 2C	THE PROCESSES USED BY THE COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE ORGANIZATION'S FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT ACCOUNTANT HAVE 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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) GOOD SHEPHERD GROUP LLC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 20-1289638	REHABILITATION PRODUCT DEVELOPMENT	PA	-71,268	9,700	N/A

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
(1) GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-2215800	OPERATES TWO SKILLED NURSING FACILITIES FOR THE SEVERELY DISABLED	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(2) GOOD SHEPHERD HOUSING DEVELOPMENT CORPORATION GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-3073390	PROVIDES INDEPENDENT LIVING APTS FOR DISABLED, LOW-INCOME ADULTS	PA	501(C)(3)	LINE 7	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(3) GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC 1901 LEHIGH STREET ALLENTOWN, PA 18103 23-2215801	PROVIDES EMPLOYMENT DEVELOPMENT PROGRAMS AND VOCATIONAL EVALUATIONS	PA	501(C)(3)	LINE 11A, I	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(4) PHILADELPHIA POST-ACUTE PARTNERS LLC 1800 LOMBARD STREET PHILADELPHIA, PA 19146 20-8283421	OPERATES INPATIENT REHAB HOSP, ACUTE CARE HOSP & 8 OUTPATIENT FACILITIES	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(5) THE ALLENTOWN SPECIALTY HOSPITAL INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-3009874	PROVIDES INPATIENT SVCS THROUGH OPERATION OF A LONG-TERM ACUTE CARE HOSP	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(6) THE GOOD SHEPHERD REHABILITATION HOSPITAL GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-1371947	PROVIDES COMPREHENSIVE INPATIENT AND OUTPATIENT REHABILITATION SERVICES	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	

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) Disproprtionate 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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) GOOD SHEPHERD RECIPROCAL RISK RENTENTION GROUP 7301 RIVERS AVENUE SUITE 230 NORTH CHARLESTON, SC29406 20-4065112	RISK RETENTION GROUP	SC	N/A	C	500,000	3,335,218	100 000 %

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	Yes	
c Gift, grant, or capital contribution from other organization(s)	1c	Yes	
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	Yes	
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		No
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	Yes	
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	Yes	
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	Yes	
r Other transfer of cash or property from other organization(s)	1r	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(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

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-2216041
Name: GOOD SHEPHERD REHABILITATION NETWORK

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA18103 23-2215800	OPERATES TWO SKILLED NURSING FACILITIES FOR THE SEVERELY DISABLED	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
GOOD SHEPHERD HOUSING DEVELOPMENT CORPORATION GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA18103 23-3073390	PROVIDES INDEPENDENT LIVING APTS FOR DISABLED, LOW-INCOME ADULTS	PA	501(C)(3)	LINE 7	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC 1901 LEHIGH STREET ALLENTOWN, PA18103 23-2215801	PROVIDES EMPLOYMENT DEVELOPMENT PROGRAMS AND VOCATIONAL EVALUATIONS	PA	501(C)(3)	LINE 11A, I	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
PHILADELPHIA POST-ACUTE PARTNERS LLC 1800 LOMBARD STREET PHILADELPHIA, PA19146 20-8283421	OPERATES INPATIENT REHAB HOSP, ACUTE CARE HOSP & 8 OUTPATIENT FACILITIES	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
THE ALLENTOWN SPECIALTY HOSPITAL INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA18103 23-3009874	PROVIDES INPATIENT SVCS THROUGH OPERATION OF A LONG-TERM ACUTE CARE HOSP	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
THE GOOD SHEPHERD REHABILITATION HOSPITAL GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA18103 23-1371947	PROVIDES COMPREHENSIVE INPATIENT AND OUTPATIENT REHABILITATION SERVICES	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	B	1,587,587	COST
(2)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	H	393,882	COST
(3)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	K	30,111,742	COST
(4)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	N	14,198,854	COST
(5)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	P	10,183,616	COST
(6)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	Q	52,532,459	COST
(7)	THE ALLENTOWN SPECIALTY HOSPITAL INC	K	5,272,302	COST
(8)	THE ALLENTOWN SPECIALTY HOSPITAL INC	N	859,645	COST
(9)	THE ALLENTOWN SPECIALTY HOSPITAL INC	P	2,664,649	COST
(10)	THE ALLENTOWN SPECIALTY HOSPITAL INC	R	1,346,566	COST
(11)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	B	393,270	COST
(12)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	K	8,074,945	COST
(13)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	N	1,414,043	COST
(14)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	P	2,023,234	COST
(15)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	Q	706,607	COST
(16)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	B	77,744	COST
(17)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	K	835,807	COST
(18)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	N	153,467	COST
(19)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	P	552,178	COST
(20)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	Q	2,926,474	COST
(21)	PHILADELPHIA POST-ACUTE PARTNERS LLC	C	1,147,437	COST
(22)	PHILADELPHIA POST-ACUTE PARTNERS LLC	P	15,138,078	COST
(23)	GOOD SHEPHERD RECIPROCAL RISK RENTENTION GROUP	Q	318,918	COST