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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
Temple University Hospital Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 3509 North Broad Street No Rm 936 | Room/suite

City or town, state or country, and ZIP + 4
Philadelphia, PA 19140

D Employer identification number
23-2825878

E Telephone number
(215)707-4533

G Gross receipts $ 876,175,168

F Name and address of principal officer
Robert H Lux
3509 North Broad Street
Philadelphia, PA 19140

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 tuh templehealth org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1995 | **M** State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Our mission is to support Temple University and its Health Sciences Center academic programs by providing the clinical environment and service to support the highest quality teaching and training programs for health care students and professionals, and to support the highest quality research programs

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	5,321
6	Total number of volunteers (estimate if necessary)	**6**	49
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	520,774
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-185,925

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,703,275	8,879,088
9	Program service revenue (Part VIII, line 2g)	763,719,173	797,251,316
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	14,752,720	4,170,632
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,364,848	3,286,122
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	782,540,016	813,587,158
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	52,634,656	31,479,954
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)	341,201,255	361,497,577
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶248,010		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	446,545,183	423,475,622
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	840,381,094	816,453,153
19	Revenue less expenses Subtract line 18 from line 12	-57,841,078	-2,865,995

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	599,487,348	589,702,829
21	Total liabilities (Part X, line 26)	445,515,836	410,798,097
22	Net assets or fund balances Subtract line 21 from line 20	153,971,512	178,904,732

Part II Signature Block

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

Sign Here

****** | 2012-05-10
Signature of officer | Date

Robert H Lux Vice President, CFO - TUHS
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶				Firm's EIN ▶
Firm's address ▶				Phone no ▶

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

Our mission is to support Temple University and its Health Sciences Center academic programs by providing the clinical environment and service to support the highest quality teaching and training programs for health care students and professionals, and to support the highest quality research programs

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 $ 695,851,070 including grants of $ 31,479,954) (Revenue $ 800,016,664)

Temple University Hospital was founded in 1892 as "Samaritan Hospital," with the mission of caring for patients with limited incomes and ensuring access to medical care in its surrounding neighborhoods Today, Temple University Hospital is a 714-bed non-profit acute care hospital that provides a comprehensive range of medical services to its North Philadelphia neighborhoods, as well as a broad spectrum of secondary, tertiary, and quaternary care to patients throughout Southeastern Pennsylvania Temple University Hospital is the only Level 1 Trauma Center in Southeastern Pennsylvania with an adult Burn Unit Its Episcopal Campus contains all of Temple's behavioral health services, including a psychiatric Crisis Response Center, a full-service Emergency Department, and a 21-bed medical telemetry unit Episcopal handles more than 10,000 crisis response center visits annually, making it one of the busiest on the east coast Last year, Temple University Hospital discharged more than 35,000 patients, registered 324,000 outpatients, performed 140 organ transplants, and cared for about 125,000 emergency department visitors Temple University Hospital also delivered more than 3,500 infants this year, of which Medicaid covers about 90% Temple University Hospital serves one of our nation's most economically challenged urban areas, with about 86% of its patients covered by government programs, including 32% covered by Medicare and 54% covered by Medicaid (the statewide mean average for Medicaid is about 11 2%, based on most recent PHC4 data) Temple University Hospital also provides more inpatient days of care to Medical Assistance recipients than any other hospital in the Commonwealth As the hospital serving the greatest volume of Medicaid patients in the Commonwealth, it is de facto Philadelphia's public hospital Temple University Hospital is in a federally designated urban Renewal Area and is located in a federal designated Primary Care Professional Shortage Area and a Medically Underserved Area Its Episcopal Campus is located in a Federal Empowerment Zone Over 82% of the population in Temple's service area is African American, Latino or other minorities While Temple University Hospital serves patients from throughout the region, more than 40% of individuals in Temple's immediate zip codes live below the federal poverty level Temple University Hospital is staffed by 400 employed physicians of the Temple University School of Medicine's practice plan Temple University Physicians represents 17 academic departments including subspecialties in emergency medicine, family practice and pediatrics, cardiology, gastroenterology, oncology, obstetrics and gynecology, orthopedics, neurosurgery, neurology, general and specialty surgery, and psychiatry All Temple University Physicians care for patients covered by Medicaid in both the inpatient and outpatient settings Temple University Hospital provides more than $45 million in charity and unreimbursed care, at cost, provided last year Temple University Hospital takes great pride in the broad array of community services that we provide to our economically challenged neighborhoods and the Southeast Pennsylvania region Below is a summary of this year's programs and activities that advance the health of people and the quality of life in our communities PROVIDING CRITICAL SOCIAL RESOURCES At a cost of about $1 million, Temple connected nearly 12,000 people with community-based social services, including free transportation services and clothing to destitute patients upon discharge, and free pharmaceuticals, co-pays and medical supplies that provide our most vulnerable patients with the resources they need to help them heal after discharge REACHING OUT TO THE COMMUNITY At a cost of more than $800,000 00, Temple University Hospital reached more than 21,000 people, providing free health screenings, support groups for patients and families dealing with alcoholism, narcotics abuse, behavioral health disorders, cancer and other diseases, providing free immunization for flu in cooperation with the City Health Department, offering education on childbirth, mental health, burn prevention, diabetes care and other topics, and providing many other outreach activities CONNECTING PATIENTS WITH FINANCIAL RESOURCES Temple employs 35 Financial Counselors dedicated to helping un-and under-insured patients obtain medical coverage At a cost of about $1 4 million, this team processes about 5,500 applications annually COMBATING GUN VIOLENCE Temple's Cradle to Grave program works with at-risk youth to help break the cycle of gun violence With an annual investment of about $123,000 00, Cradle to Grave engaged 1,250 teens this year, and engaged more than 4,000 teens since the program began in 2006 INVESTING IN HEALTH PROFESSIONS EDUCATION Temple incurs a net expense of $35 million to provide the education and training necessary to develop a professional healthcare workforce to benefit the broader community This includes part of the cost of training more than 500 residents and fellows in over 45 teaching programs Our residents and fellows are involved in various efforts that directly impact the community, including our Cradle to Grave program, the Temple CAREs primary clinic, our HIV clinic, and other community outreach initiatives The exposure that our Residents receive caring for our diverse, low-income community helps Temple address health disparities while developing our nation's future physicians Our investment in health professions also includes part of the cost of operating the Northeastern School of Nursing RN Diploma Program, providing an affordable option for diverse, community members who would not otherwise be able to attend traditional collegiate programs INVESTING IN OUR HOSPITAL WORKFORCE Temple University Hospital invested nearly $500,000 to develop our local workforce through three comprehensive initiatives Our investment in the Community Healthcare Workforce provided comprehensive training and education to help frontline workers living in the community adapt and build skills to enable them to participate in a changing healthcare workplace About half of the students are union members, and half from the general community, many of whom are laid-off workers and Welfare recipients FOSTERING VOLUNTEERISM Members of Temple University Hospital's Board of Directors are comprised of dedicated volunteers from diverse backgrounds who offer expertise and govern the organization without compensation Similarly, members of Temple University Hospital's executive staff routinely participate in not-for-profit community health and social service organizations, as volunteer members of their boards-of-directors, and as participants in their outreach services In addition, Temple University Hospital engages volunteer community members to help advance its healthcare mission Through Temple University Hospital's chaplaincy, family support, and other programs, our volunteers reach more than 12,000 people annually, helping to advance healing through their compassionate services to patients and their families PROMOTING MULTI-CULTURAL SERVICES With an investment of about $1 5 million, Temple employs a team of 11 professional medical interpreters who provide personal language assistance for our Spanish-speaking population Supplementing this are 65 specially trained dual-role interpreters, representing seven languages These groups performed about 20,000 bedside interpretations annually, which is in addition to interpretations performed via telephone by contracted agency interpreters EMERGENCY PREPAREDNESS AND RESEARCH With an investment of more than $125,000 00, this program helps ensure our staff and hospital facilities are prepared to continue to provide safe, quality patient care even under the most austere conditions We work on many levels, both inside and outside the Temple Health System, educating our communities about the importance of personal preparedness Temple's Emergency Preparedness and Research Program is a critical link in the federal, state, and local disaster response plans DONATING BLOOD Working with the American Red Cross, we help ensure that our nation has a safe and reliable blood supply Through our investment of nearly $31,000 00, Temple University Hospital helped collect 600 pints of blood from employees, physicians and community members

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

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

See Statement

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

4e **Total program service expenses** ▶ $ 695,851,070

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		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d	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		No
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		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	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**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, 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**	Yes	
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**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	193		
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	5,321		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		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	17		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Does the organization have members or stockholders?		6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

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 ▶

Robert H Lux VP CFO-TUHS
3509 North Broad St Room 936
Philadelphia, PA 19140
(215) 707-7766

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			
See Additional Data Table										

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			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								3,060,421	5,104,636	611,961

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 ▶ 413

		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
Temple University 400 Carnell Hall 1803 N Broad St Philadelphia, PA 19121	Physicians, Purchased Services	53,910,900
Temple University Health System 2450 West Hunting Park Ave Philadelphia, PA 19129	Purchased Services, Related Organization	48,299,034
Allied Barton 1617 Washington Street Suite 600 Conshohocken, PA 19428	Purchased Guard Services	3,528,578
Synthes PO Box 8538-662 Philadelphia, PA 19171	Medical Supplier	3,518,386
Care Fusion Solutions LLC Lockbox 771952 1952 Solutions Ctr Chicago, IL 60677	Medical Supplier	1,846,320

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 ▶ 5

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations . . . 1d	5,738,104				
	e Government grants (contributions) 1e	1,475,011				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	1,665,973				
	g Noncash contributions included in lines 1a-1f $	5,600,540				
	h **Total.** Add lines 1a-1f . . . . . ▶		8,879,088			
Program Service Revenue		Business Code				
	2a Patient Service Rev	622110	785,031,218	785,031,218		
	b Parking Fees	812930	3,803,083	3,803,083		
	c Rent Tax Exempt Affl	531120	3,286,861	3,286,861		
	d Cafeteria Sales	722210	2,561,491	2,561,491		
	e Student Tuition	611600	787,743	787,743		
	f All other program service revenue		1,780,920	1,780,920		
	g **Total.** Add lines 2a–2f . . . . . ▶		797,251,316			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		3,014,196			3,014,196
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) . . . . . ▶					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	63,744,446				
	b Less cost or other basis and sales expenses	62,588,010				
	c Gain or (loss)	1,156,436				
	d Net gain or (loss) . . . . . ▶		1,156,436			1,156,436
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 Miscellaneous Income	900099	2,765,348	2,765,348		
	b Blood Draws	621500	520,774		520,774	
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		3,286,122			
	12 **Total revenue.** See Instructions . . . ▶		813,587,158	800,016,664	520,774	4,170,632

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	31,479,954	31,479,954		
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	3,296,604		3,296,604	
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	272,967,456	255,470,139	17,497,317	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	13,218,684	12,371,787	846,897	
9	Other employee benefits	51,386,209	48,093,987	3,292,222	
10	Payroll taxes	20,628,624	19,306,985	1,321,639	
a	Fees for services (non-employees) Management				
b	Legal	417,883	52,557	365,326	
c	Accounting	221,784		221,784	
d	Lobbying				
e	Professional fundraising services *See Part IV, line 17*				
f	Investment management fees				
g	Other	139,232,734	74,212,414	64,772,310	248,010
12	Advertising and promotion	285,295	52,503	232,792	
13	Office expenses	122,436,899	120,193,958	2,242,941	
14	Information technology	9,327,595	8,783,043	544,552	
15	Royalties				
16	Occupancy	20,511,180	18,636,383	1,874,797	
17	Travel	776,572	676,557	100,015	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	11,881,948	11,881,948		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	21,563,201	21,581,052	-17,851	
23	Insurance	35,591,003	35,535,255	55,748	
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	Other Expenses	35,494,179	13,833,447	21,660,732	
b	Equip rental and maint	14,045,753	11,999,505	2,046,248	
c	Bad Debt	11,689,596	11,689,596		
d					
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	816,453,153	695,851,070	120,354,073	248,010
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		81,937,422	1	62,405,036
	2	Savings and temporary cash investments		66,688,316	2	102,534,570
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		174,532,145	4	118,863,875
	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		12,550,452	8	14,007,550
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 513,379,530			
	b	Less accumulated depreciation	10b 331,760,015	172,126,913	10c	181,619,515
	11	Investments—publicly traded securities		18,859,975	11	22,131,523
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		72,792,125	15	88,140,760
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		599,487,348	16	589,702,829
Liabilities	17	Accounts payable and accrued expenses		64,463,330	17	63,218,243
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		113,953,318	20	112,624,945
	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			24	
	25	Other liabilities Complete Part X of Schedule D		267,099,188	25	234,954,909
	26	**Total liabilities.** Add lines 17 through 25		445,515,836	26	410,798,097
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		127,033,145	27	148,612,055
	28	Temporarily restricted net assets		4,898,394	28	4,665,333
	29	Permanently restricted net assets		22,039,973	29	25,627,344
		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		153,971,512	33	178,904,732
	34	Total liabilities and net assets/fund balances		599,487,348	34	589,702,829

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	813,587,158
2	Total expenses (must equal Part IX, column (A), line 25)	2	816,453,153
3	Revenue less expenses Subtract line 2 from line 1	3	-2,865,995
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	153,971,512
5	Other changes in net assets or fund balances (explain in Schedule O)	5	27,799,214
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	178,904,732

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
Temple University Hospital Inc

Employer identification number
23-2825878

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

b **33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

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SCHEDULE 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
Temple University Hospital Inc

Employer identification number
23-2825878

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	22,039,973	19,620,000	24,384,000		
b Contributions		1,309,663			
c Investment earnings or losses	3,587,371	1,110,310	-4,764,000		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	25,627,344	22,039,973	19,620,000		

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

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

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

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		4,591,186		4,591,186
b Buildings		268,895,048	158,177,513	110,717,535
c Leasehold improvements				
d Equipment		235,764,392	173,259,302	62,505,090
e Other		4,128,904	323,200	3,805,704
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				181,619,515

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

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

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

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

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

(a) Description	(b) Book value
(1) Self Insurance Assets	19,778,546
(2) Assets Held in Perpetual Trust	24,569,460
(3) Due from Affiliated Companies	20,741,497
(4) Assets Held by TU Prepaid Pension	3,990,000
(5) Other Assets	19,061,257
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	88,140,760

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Self Insurance Program Liability	90,671,619
Unfunded Post Retirement Benefit Obligation	18,852,100
Other Liability General	10,306,745
Temple University Revenue Bonds	84,635,049
Other Liabilities	30,489,396
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	234,954,909

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

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	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	The endowment funds will be used for capital purposes, maintenance of the Liacouras Garden, appreciation awards to "Non-Professional" Employees and to cover the cost of unreimbursed care for the prevention and treatment of crippling diseases in children

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Temple University Hospital Inc

Employer identification number
23-2825878

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)		79,537	19,512,000		19,512,000	2 420 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		164,038	356,181,624	329,935,749	26,245,875	3 260 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		243,575	375,693,624	329,935,749	45,757,875	5 680 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)		45,007	1,859,543	11,500	1,848,043	0 230 %
f Health professions education (from Worksheet 5)	34		56,690,363	21,325,316	35,365,047	4 390 %
g Subsidized health services (from Worksheet 6)		124,038	55,747,960	27,934,892	27,813,068	3 460 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			14,588,954		14,588,954	1 810 %
j **Total** Other Benefits	34	169,045	128,886,820	49,271,708	79,615,112	9 890 %
k **Total.** Add lines 7d and 7j	34	412,620	504,580,444	379,207,457	125,372,987	15 570 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	6	11,926	282,714		282,714	0 040 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development	1	2,000	497,118		497,118	0 060 %
9	Other						
10	**Total**	7	13,926	779,832		779,832	0 100 %

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	11,689,596		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	96,624,027
6	Enter Medicare allowable costs of care relating to payments on line 5	6	111,143,068
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-14,519,041
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 4

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	Temple University Hospital Inc 3509 North Broad St Philadelphia, PA 19140	X	X		X	X		X		
2	Temple Univ Hosp Episcopal Hospital 100 East Lehigh Avenue Philadelphia, PA 19125	X	X		X			X		Operated under TUH, Inc license
3	Temple Univ Hosp Inc Bone Marrow Jeanes 7600 Central Avenue Philadelphia, PA 19111	X	X		X					Operated under TUH, Inc license
4	Northeastern Ambulatory Care Center 2301 East Allegheny Aven Philadelphia, PA 19134	X	X		X					Operated under TUH, Inc license

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Temple University Hospital Inc

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000%			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☑ Reporting to credit agency			
b ☑ Lawsuits			
c ☑ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	**16**	Yes	
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☐ Reporting to credit agency			
b ☑ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☑ Notified patients of the financial assistance policy prior to discharge			
c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☑ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility did not have a policy relating to emergency medical care			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c ☐ The hospital facility used the Medicare rate for those services			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Temple Univ Hosp Episcopal Hospital

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000%			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☑ Reporting to credit agency			
b ☑ Lawsuits			
c ☑ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	**16**	Yes	
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☐ Reporting to credit agency			
b ☑ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☑ Notified patients of the financial assistance policy prior to discharge			
c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☑ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility did not have a policy relating to emergency medical care			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c ☐ The hospital facility used the Medicare rate for those services			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Temple Univ Hosp Inc Bone Marrow Jeanes

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 3

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000%			
11 Explained the basis for calculating amounts charged to patients?	11	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	12		No
13 Included measures to publicize the policy within the community served by the hospital facility?	13		No
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☐ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	Yes	
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☑ Reporting to credit agency			
b ☑ Lawsuits			
c ☑ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16	Yes	
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☐ Reporting to credit agency			
b ☑ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☑ Notified patients of the financial assistance policy prior to discharge			
c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☑ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility did not have a policy relating to emergency medical care			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c ☐ The hospital facility used the Medicare rate for those services			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Northeastern Ambulatory Care Center

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 4

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000%			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☑ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☑ Reporting to credit agency			
b ☑ Lawsuits			
c ☑ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	**16**	Yes	
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☐ Reporting to credit agency			
b ☑ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☑ Notified patients of the financial assistance policy prior to discharge			
c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☑ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility did not have a policy relating to emergency medical care			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c ☐ The hospital facility used the Medicare rate for those services			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		Part I, Line 7 As set forth in the Temple University Health System Department of Finance Policies and Procedures (TUHS-FIN 302), it is the policy of Temple University Health System to provide all necessary urgent and emergent care to patients without regard to their ability to pay for such care Given this mission and within the guidelines of prudent business management, it is further the policy of Temple University Health System (TUHS) that an orderly and controlled system for the write-off of all types of Bad Debt and Charity Care balances be in effect to insure maximum collections All patients have the option to apply for the TUHS Charity Care Program The guiding principles behind this policy are to treat all patients equally, with dignity and respect, to serve the emergency healthcare needs of everyone in the community, to assist patients who cannot pay and to balance appropriate financial assistance for patients with fiscal responsibility Patients and their families have a responsibility to assist TUHS in qualifying them for financial assistance TUH Inc 's cost to charge ratio for Part 1, lines 7a through 7d is derived by deducting bad debt expense from total expenses divided by the total gross charges

Additional Data

Software ID:
Software Version:
EIN: 23-2825878
Name: Temple University Hospital Inc

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Edmond F Notebaert Chair, Partial Term	5 00	X		X				0	3,000,000	0
Jane Scaccetti Director, Vice Chair	5 00	X						0	0	0
Sandra Gomberg Interim Exec Dir /CEO	45 00	X		X				466,813	0	41,940
George Corson Jr Director	5 00	X						0	0	0
John W Meacham Director	5 00	X						0	0	0
Dr Milton L Rock Director	5 00	X						0	0	0
Dr Soloman C Luo Director	5 00	X						0	0	0
Samuel M Lehrer Director	5 00	X						0	0	0
Dr Donald B Parks Director	5 00	X						0	0	0
Dr Eugene M Smolens Director	5 00	X						0	0	0
Herbert E Long Jr Director	5 00	X						0	0	0
Bradford P Woods Director	5 00	X						0	0	0
Richard I Torpey Director	5 00	X						0	0	0
Joseph Evans Director	5 00	X						0	0	0
Dr Ann Weaver Hart Director	5 00	X						0	628,244	47,709
Patrick J O'Conner Director	5 00	X						0	0	0
Larry Kaiser Chief Executive Officer	50 00	X		X				0	0	0
Beth C Koob Secretary	5 00			X				0	442,096	52,551
Betty McAdams Asst Secretary	5 00			X				0	90,085	14,136
Edward A Chabalowski Treasurer	50 00			X				221,053	0	38,139
Joseph G Klos Asst Treasurer	5 00			X				0	215,747	32,164
Robert H Lux Asst Treasurer	5 00			X				0	493,407	53,320
Herbert P White Asst Treasurer	5 00			X				0	235,057	37,859
Dr Susan Freeman CMO of TUH	50 00				X			380,680	0	33,423
Kathleen Barron Executive Director of TUH/EHc	45 00				X			294,003	0	33,423

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Craig Menta AHD Finance of TUH/EHC	50 00				X			175,081	0	37,194
Pam Teufel VP of Human Resources	50 00				X			302,250	0	24,322
John Cacciamani Director of Clinical Opera	50 00					X		247,123	0	41,939
Shidong Li Chief Physicist	50 00					X		230,703	0	25,880
Steven Carson VP Clinical Integration	50 00					X		257,100	0	41,939
Marc Hurowitz Physician	50 00					X		272,706	0	18,975
Warren Lyons Hospital Administrator	50 00					X		212,909	0	37,048

Identifier	ReturnReference	Explanation
		Part I, Line 7g Temple University Hospital invested nearly $28 million to subsidize critical health care services needed in our community This includes support for our outpatient emergency, acute care and psychiatric services, and inpatient psychiatric services on our Episcopal Campus These physical and mental health services are critical to the health and welfare of our vulnerable communities

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The percentage of total expense was calculated by taking the total expense included on Form 990, Part IX, Line 25, column (A) and subtracting bad debt expense of $11,689,596

Identifier	ReturnReference	Explanation
		Part II Temple University Hospital engages in a number of community building activities throughout the year, directly serving more than 13,000 people, and indirectly serving tens of thousands more, while incurring net expense of about $800,000 These activities include the following programs Community Support (1) Temple University Hospital Emergency Preparedness and Research Program The purpose of this program is to ensure our staff and hospital facilities are prepared to continue to provide safe, quality patient care even under the most austere conditions We ensure that our staff and facilities are prepared for disasters and other emergencies by working on many levels, both inside and outside the Temple Health System We are developing a community education and outreach program in which we would further educate our vulnerable communities about the importance of personal preparedness and provide them with guidelines on how to remain safe during a disaster The TUH Emergency Preparedness and Research Program is also a critical link in the federal, state and local disaster response plans (Net expense $127,470)(2) Cradle to Grave Anti-Violence This program helps reduce the financial, emotional, and societal costs of gun violence in the City of Philadelphia Temple's Cradle to Grave program works with at-risk youth to help break the cycle of gun violence, reaching more than 1,250 people this year Since the program began in 2006, Cradle to Grave has connected with more than 4,000 Middle and high school students, as well as at-risk youth from area alternative schools and the Juvenile Justice Center of Philadelphia (Net expense $123,000)(3) Blood Drives Temple University Hospital works closely with the American Red Cross to support its mission of providing a safe and reliable blood supply that helps ensure quality outcomes and save lives This year, Temple helped collect nearly 600 pints of blood from employees and physicians (Net expense $30,929)(4) Philadelphia MOM program Assist Philadelphia Department of Health in providing early intervention for healthy newborns (Net expense $1,315)Workforce Development (1) Investment in Community's Healthcare Workforce The purpose of this program is to build local workforce and improve skills sets needed to deliver quality healthcare This involves comprehensive training and education to help workers living in our community adapt and improve skills to enable them to participate in a changing healthcare workplace About half the students are union members and half from the general community, including laid-off workers and Welfare recipients (Net expense $497,118)

Identifier	ReturnReference	Explanation
		Part III, Line 4 This expense is related to services rendered for which payment is anticipated and credit is extended These patients do not meet the established Charity Care policy and may therefore have the ability to pay The cost method is determined based on the patient's liability for services rendered and is a community benefit because it is a cost of providing health care to the general public

Identifier	ReturnReference	Explanation
		Part III, Line 8 Community Benefit as in Charity Care is when estimated cost of providing services is in excess of payments received In 2011, the cost of providing services to the Medicare population was ($14,519,041) higher than revenue Medicare allowable cost was based on cost apportionment derived from the Medicare Cost Report The Medicare shortfall carried by TUH provides a community benefit because it benefits a charitable class, the elderly

Identifier	ReturnReference	Explanation
		Part III, Line 9b Temple University Hospital's collection policy contains provisions on the collection practices to be followed for patients who are known to qualify for charity care If a patient qualifies the appropriate discount is applied to the patient's account, if the patient does not qualify for charity care or qualifies for only a charity care discount, the normal billing process of four (4) statements over a span of at least 120 days will occur If no patient response is received, a write-off request form will be completed by the collection specialist and submitted for proper signature authority for agency referral Once approved, the account will be transferred to the Bad Debt Financial Class log The account will be forwarded to the collection agency for additional collection effort Collection vendors are required to include in their collection notifications notice that Temple provides free and/or reduced price care to persons who qualify, that Temple provides assistance in applying for and obtaining government funded insurance, and that patients can contact Temple's Financial Services Department for assistance

Identifier	ReturnReference	Explanation
Temple University Hospital, Inc		Part V, Section B, Line 19d Temple University Hospital, Inc used a multiple of two-times the base Medicaid rate

Identifier	ReturnReference	Explanation
Temple Univ Hosp @ Episcopal Hospital		Part V, Section B, Line 19d Episcopal Hospital, Inc used a multiple of two-times the base Medicaid rate

Identifier	ReturnReference	Explanation
Temple Univ Hosp Inc Bone Marrow @Jeanes		Part V, Section B, Line 19d Temple University Hospital Inc Bone Marrow @ Jeanes used a multiple of two-times the base Medicaid rate

Identifier	ReturnReference	Explanation
Northeastern Ambulatory Care Center		Part V, Section B, Line 19d Northeastern Ambulatory Care Center used a multiple of two-times the base Medicaid rate

Identifier	ReturnReference	Explanation
		Part VI, Line 2 In assessing community needs, Temple University Hospital uses comprehensive sets of internal and external data sources Externally, we rely largely on health data compiled by federal, state, city and community based health organizations, including the following *United States Center for Disease Control - (sample reports or data sets) *Pennsylvania Department of Health - (sample reports or data sets) *Pennsylvania Health Care Cost Containment Council (PHC4) - (sample reports or data sets) *Philadelphia Department of Public Health, including the Philadelphia Vital Statistics Report, the Philadelphia Vital Statistics Report by Census Tract and Zip Code Report, the annual Health Center Service Area Report, the Maternal and Child Family Health Data Watch, the Report on Selected Maternal & Child Health Indicators for the City of Philadelphia, 1995-2005 and the Taking Philadelphia's Temperature report *Delaware Valley Healthcare Council - (sample reports or data sets) *Centers for Medicare and Medicaid Services (CMS) Medpar data *Maternity Care Coalition - Childbirth at a Crossroads report *Premier - Care Science Quality Manager*Current literature on evolving health care delivery issues and care delivery models Internally, we rely on the following sources *Collaboration of Medical School and Hospital leadership*Consensus discussion with key clinical providers*Performance Improvement , Risk Management and Patient Safety outcomes *Historic, service line specific utilization data*Organizational community risk assessments (Infection Control, Environment of Care, Emergency Management, Fire Safety Management, Disaster Response)In addition to data sources, we also work closely with local government offices and not-for-profit community based health and social services organizations to address specific needs of vulnerable populations As the primary safety net hospital serving Philadelphia and its surrounding counties, Temple University Hospital (TUH) maintains strong relationships with area community Health Centers, including the City of Philadelphia Health Centers and many Federally Qualified Health Centers (FQHCs) These partnerships enable TUH to coordinate care delivery in both the inpatient and outpatient settings In Women's Health TUH collaborates with three FQHCs, Esperanza Community Health Center, Maria Del los Santos Health Center, and Greater Philadelphia Health Action to provide Obstetrical Care Through these partnerships community physicians are integrated with the Temple faculty and community practices to provide a full range of obstetrical services for their patients In addition, TUH participates with the City of Philadelphia MOM Program This early intervention program consists of frequent phone calls and home visits to encourage mothers to have their babies immunized on schedule and to participate in needed developmental and educational services The program seeks to fill the gap between children's need for services and mothers' ability to assure their children's participation in those services Temple University Hospital also works closely with our community partners to provide for adult health services The physicians of Esperanza Community Health Center maintain staff privileges and provide continuity care for their patients at TUH The group participates in the Temple University Internal Medicine Residency Programs Maria Del los Santos Health Center and Greater Philadelphia Health Action provide outpatient services and refer patients to TUH for inpatient care The Hospital also maintains a close relationship with City of Philadelphia Health Department and its District Health Centers TUH works closely with the city to provide aftercare following hospitalization and often expedites needed specialty care and diagnostic evaluations

Identifier	ReturnReference	Explanation
		Part VI, Line 3 35 Financial Counselors assigned to Temple University Hospital screen all uninsured and underinsured patients (including those with high deductibles and co-pays) who are hospitalized or require elective outpatient hospital services to determine their eligibility for government funded medical insurance coverage such as Medicaid, CHIP, and Adult Basic *Patients that meet the qualifications for these programs are assisted by financial counseling staff throughout each step of the application process Medicaid applications are submitted by TUH on the patient's behalf and tracked until final determination *Patients who do not qualify for government-funded programs are screened for Temple University Health System's Charity Care/Self Pay program to determine their eligibility for free or reduced cost care *Temple's Charity Care/Self Pay discounting policy is not restricted to Emergency Department patients, but is available to inpatients and outpatients as well *Patients who contact the Hospital's Business Office concerning bills they have received that they cannot afford to pay are also screened for Charity Care eligibility *The Financial Counseling Staff at Temple University Hospital also offers assistance in obtaining supplemental coverage as well as prescription drug benefits Patients are informed of Temple's Financial Services, and direction on how to access these services, through the following means Posters in plain view at inpatient, outpatient and emergency registration areas and billing offices, Patient discharge summaries, billing invoices and vendor collection notices, and Hospital website

Identifier	ReturnReference	Explanation
		Part VI, Line 4 Temple University Hospital Service Area Community Profile Temple University Hospital service area consists of the following zip codes 19120, 19121, 19122, 19124, 19125, 19132, 19133, 19134, 19140, 19141, and 19144 This is an area with a disproportionally high percentage of poor and undereducated population A Population and Population Growth The total population in TUH's service area has slightly increased over the past decade and is projected to remain the same from 2011 to 2016 In contrast, the total U S population has grown over the past decade, and is projected to grow by 4 0% over the next five years B Age Distribution Approximately 29% of the total population within TUH's service area is under the age of 18, approximately 19% higher than the overall average for the United States (24 3%) 27 2% of the TUH service area population is age 18-34, 17 8% higher than the national average 34 2% of the TUH service area population is age 35-64, 13% less than the national average of 39 3% 9 6% of the TUH service area population is over 65 years old, which is 27 9% less than the national average of 13 3% The average age of the TUH service area is projected to increase slightly over the next five years Under 18 population is projected to remain unchanged from 2011 to 2016 The 65 and over population is projected to increase from 46,209 in 2011 to 49,858 in 2016, a projected increase of 7 9% C Education Level In 2011, the population in the TUH service area consisted of 67 8% with high school education or less, a rate approximately 54 1% higher than the national average of 44 0% The TUH service area population consists of 32 2% with education beyond high school, approximately 43% less than the national average of 56 0% D Unemployment and Household Income Unemployment In the City of Philadelphia, 10 6% of the total population were unemployed in 2011, approximately 34% higher than the state unemployment rate of 7 9% and 18% higher than the national unemployment rate of 8 9% (Source Bureau of Labor Statistics, US Department of Labor) Household Income Approximately 76% of households in the TUH service area earn less than $50,000 per year, approximately 51% greater than the national average of 50 3% 24% of TUH service area households earn over $50,000 per year, which is approximately half the national average of 49 7% E Population Below Federal Poverty LevelAccording to data from the U S Census Bureau, approximately 34 9% of the people living in the service area of Temple University Hospital live below the federal poverty level, which is far greater than the national level of 15 1% F Race/Ethnicity In TUH's service area, 49 6% of the total population is Black, over four times the national level of 12 1% Hispanics are the second largest population in TUH's service area, comprising 25 9% of the population, compared to the national average of 16 1% The percentage of White population is lower than the national level, 18 5% in the TUH service area compared to 64 2% nationwide F Payer Mix Approximately 78% of people in the TUH geographic service area are covered by either Medicaid or Medicare, 51% for Medicaid and 27% for Medicare This represents approximately three times the national average of 15 9% for Medicaid, and approximately two times the national level of 14 5% for Medicare However, the actual percentage of patients discharged from TUH covered by Medicaid and Medicare are higher at 32% and 54% respectively This suggests that patients outside our geographic area covered by government programs have trouble accessing care in their communities

Identifier	ReturnReference	Explanation
		Part VI, Line 6 Temple University Hospital serves one of our nation's most economically challenged urban areas, with more than 86% of its patients covered by government programs, including 32% covered by Medicare and 54% covered by Medicaid Temple University Hospital is in a federally designated urban Renewal Area and is located in a federal designated Primary Care Professional Shortage Area and a Medically Underserved Area Its Episcopal Campus is located in a Federal Empowerment Zone Over 82% of the population in Temple's service area is African American, Latino or other minorities While Temple University Hospital serves patients from throughout the region, more than 40% of individuals in Temple's immediate zip codes live below the federal poverty level Temple University Hospital provides nearly $46 million in charity and unreimbursed care, at cost, and $35M in the MA cost of education, provided last year In addition to this charity care, Temple University Hospital takes great pride in the broad array of community services that we provide to our economically challenged neighborhoods In addition to those community-building activities described above, we provide programs and activities that advance the health of people and the quality of life in our vulnerable communities PROVIDING CRITICAL SOCIAL RESOURCES At a cost of $1 million, Temple connected nearly 12,000 people with community-based social services, including free transportation services and clothing to destitute patients upon discharge, and free pharmaceuticals, co-pays and medical supplies that provide our most vulnerable patients with the resources they need to help them heal after discharge REACHING OUT TO THE COMMUNITY At a cost of more than $800,000 00, Temple University Hospital reached more than 21,000 people, providing free health screenings, support groups for patients and families dealing with alcoholism, narcotics abuse, behavioral health disorders, cancer and other diseases, providing free immunization for flu in cooperation with the City Health Department, offering education on childbirth, mental health, burn prevention, diabetes care and other topics, and providing many other outreach activities Temple University Hospital makes a grant in the amount of $14,588,954 to Temple University to support and provide healthcare services to the community CONNECTING PATIENTS WITH FINANCIAL RESOURCES Temple employs 35 Financial Counselors dedicated to helping un-and under-insured patients obtain medical coverage At a cost of about $1 4 million, this team processes about 5,500 applications annually FOSTERING VOLUNTEERISM Members of Temple University Hospital's Board of Directors are comprised of dedicated volunteers from diverse backgrounds who offer expertise and govern the organization without compensation Similarly, members of Temple University Hospital's executive staff routinely participate in not-for-profit community health and social service organizations, as volunteer members of their boards-of-directors, and as participants in their outreach services In addition, Temple University Hospital engages volunteer community members to help advance its healthcare mission Through our chaplaincy, family support, and other programs, our volunteers touch more than 12,000 people annually, helping to advance healing through their compassionate services to patients and their families PROMOTING MULTI-CULTURAL SERVICES With an investment of about $1 5 million, Temple employs a team of 11 professional medical interpreters who provide personal language assistance for our Spanish-speaking population Supplementing this are 65 specially trained dual-role interpreters, representing seven languages These groups performed about 20,000 bedside interpretations annually, which is in addition to interpretations performed via telephone by contracted agency interpreters KEEPING PATIENTS OUT OF THE EMERGENCY DEPARTMENT Temple University Hospital's Northeastern Campus includes its unique ReadyCare physician practice ReadyCare offers expanded hours 365 days per year, and provides care that is specifically designed to meet the needs of the community - and to prevent unnecessary visits to a hospital Emergency Room REDUCING THE GOVERNMENT BURDEN Temple maintains strong affiliations with the City of Philadelphia, Federally Qualified Health Centers, and numerous community health organizations to help ensure access to care for our vulnerable population

Identifier	ReturnReference	Explanation
		Part VI, Line 7 Temple University Hospital is a member of the Temple University Health System, Inc (TUHS) Consistent with its mission to provide access to the highest quality of health care in both the community and academic setting, Temple University Hospital supports Temple University and its Health Sciences Center academic programs by providing the clinical environment and service to support the highest quality teaching and training programs for health care students and professionals, and to support the highest quality research programs The missions of other members of the Temple University Health System similarly advance the health systems goals, as follows Jeanes Hospital's mission is to maintain and enhance the quality of life for individuals in the communities it serves, the Temple Health System Transport Team, Inc 's mission is to provide the highest level of critical care transport services available in the mid-Atlantic region, and, Temple Physicians, Inc 's mission is to provide the highest quality of clinical care as well as to support the System's clinical, administrative and corporate activities

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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
Temple University Hospital Inc

Employer identification number
23-2825878

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) Temple University of the Commonwealth System of Higher Education1109 Wachman Hall 1805 North Broad St Philadelphia, PA 19122	23-1365971	501c3	14,588,954				General Support
(2) Temple University Health System3509 North Broad St 9th floor Philadelphia, PA 19140	23-2825881	501c3	16,891,000				General Support

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

3 Enter total number of other organizations . . . ▶ 0

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 Grants were made only for tax-exempt purposes to related organizations under common control Grants are subject to review by the governing bodies and management of the related organizations and their common parent

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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
Temple University Hospital Inc

Employer identification number
23-2825878

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-2825878
Name: Temple University Hospital Inc

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Edmond F Notebaert	(I)	0	0	0	0	0	0	0
	(II)	3,000,000	0	0	0	0	3,000,000	0
Sandra Gomberg	(I)	364,677	95,000	7,136	27,044	14,896	508,753	0
	(II)	0	0	0	0	0	0	0
Dr Ann Weaver Hart	(I)	0	0	0	0	0	0	0
	(II)	550,744	70,000	7,500	32,489	15,220	675,953	0
Beth C Koob	(I)	0	0	0	0	0	0	0
	(II)	373,523	50,000	18,573	32,544	20,007	494,647	0
Edward A Chabalowski	(I)	218,955	0	2,098	23,243	14,896	259,192	0
	(II)	0	0	0	0	0	0	0
Joseph G Klos	(I)	0	0	0	0	0	0	0
	(II)	215,747	0	0	25,785	6,379	247,911	0
Robert H Lux	(I)	0	0	0	0	0	0	0
	(II)	430,674	50,000	12,733	32,544	20,776	546,727	0
Herbert P White	(I)	0	0	0	0	0	0	0
	(II)	221,057	0	14,000	24,228	13,631	272,916	0
Dr Susan Freeman	(I)	380,680	0	0	27,044	6,379	414,103	0
	(II)	0	0	0	0	0	0	0
Kathleen Barron	(I)	287,644	0	6,359	27,044	6,379	327,426	0
	(II)	0	0	0	0	0	0	0
Craig Menta	(I)	168,005	0	7,076	22,469	14,725	212,275	0
	(II)	0	0	0	0	0	0	0
Pam Teufel	(I)	246,443	40,000	15,807	10,517	13,805	326,572	0
	(II)	0	0	0	0	0	0	0
John Cacciamani	(I)	247,123	0	0	27,044	14,895	289,062	0
	(II)	0	0	0	0	0	0	0
Shidong Li	(I)	230,703	0	0	11,331	14,549	256,583	0
	(II)	0	0	0	0	0	0	0
Steven Carson	(I)	256,668	0	432	27,044	14,895	299,039	0
	(II)	0	0	0	0	0	0	0
Marc Hurowitz	(I)	272,706	0	0	12,250	6,725	291,681	0
	(II)	0	0	0	0	0	0	0
Warren Lyons	(I)	199,909	0	13,000	20,820	16,228	249,957	0
	(II)	0	0	0	0	0	0	0

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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
Temple University Hospital Inc

Employer identification number
23-2825878

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	Hospitals & Higher Ed Fac Auth of Phila	23-1929132	717903R59	02-17-1993	164,911,891	Refunding of Series of 1993		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	164,911,891			
4	Gross proceeds in reserve funds	13,428,906			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	86,343,576			
7	Issuance costs from proceeds	390,525			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	64,748,884			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	1986			

		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						
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		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						
b	Are there any research agreements that may result in private business use of bond-financed property?		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							
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 ▶	0 440 %							
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 %							
6	Total of lines 4 and 5	0 440 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	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						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider	NA							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?	X							
b	Name of provider	West LB Bank Term'ed 2009							
c	Term of GIC								
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						
6	Did the bond issue qualify for an exception to rebate?		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 L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Temple University Hospital Inc

Employer identification number
23-2825878

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV **Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Laurie Parks	Daughter of Donald Parks,Director at TUH	74,503	Family Member - Employed at TUH		No
(2) John Testa	Brother-in-law of Jane Scacetti Vice Chair at TUHS	73,827	Family Member - Employed at TUHS		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Temple University Hospital Inc

Employer identification number
23-2825878

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other	X	1	5,600,540	Book Value
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (_____)				
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 |

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		No
b	If "Yes," describe the arrangement in Part II		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?		No
b	If "Yes," describe in Part II		
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Description of Arrangement	Part I, Line 30b	TUH was the sole beneficiary of a trust that held a number of parcels of real property in the vicinity of the hospital and that, upon liquidation of the trust , all properties were transferred outright to TUH The value was based on book value

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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
Temple University Hospital Inc

Employer identification number
23-2825878

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		The sole member of the organization is Temple University Health System, Inc The member has the power to appoint and remove the organization's Board of Governors The approval of the member is required for any of the following actions by the organization (a)any dissolution or liquidation, (b)any merger, (c)any amendments to the Articles of Incorporation, (d)any amendments to the Bylaws regarding the member, the number of Governors, quorum or voting requirements, (e)the sale, pledge, lease (but only a lease from the organization of substantially all of the organization's real property), or other transfer of the assets of the organization other than transactions occurring in the ordinary course of business, (f)any decision resulting in the organization's ceasing to provide appropriate sites for Temple University School of Medicine for comprehensive tertiary acute care services through the organization, (g)any decision to merge with, acquire, or enter into an affiliation with medical schools or medical school hospitals other than the University's, (h)the deletion of any clinical programs that are needed for the accreditation of Temple University School of Medicine or the Temple University School of Podiatric Medicine, (i)the adoption of the organization's annual capital and operating budgets, (j)the issuance or assumption of any indebtedness in excess of Two Million Five Hundred Thousand Dollars ($2,500,000), and (k)the execution of any contract providing for the management of the organization

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		See Part VI Section A Line 6 Statement above

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		See Part VI Section A Line 6 Statement above

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		After review by management and outside tax counsel, the 990 and 990T (if any) are posted to the website of the Secretary's Office Each Board Member is contacted and provided with the web address A Board Member without internet access is provided a paper copy to review The website and paper mailing have an overview of the 990 and 990T preparation process and internal reviews Each Board Member is asked to review the 990 and 990T within 2 weeks and contact the Chief Financial Officer about any questions In addition to the above process, the Audit Committee is provided a copy and the 990 and 990T are reviewed at a regularly scheduled meeting

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	The Office of the Secretary provides each director and officer with copies of the conflicts of interest policy and a disclosure statement to be completed on an annual basis The Office of the Secretary reviews the completed disclosure statements which are then reviewed in summary format by a committee of the Board of Directors and any recommended actions presented to the full Board of Directors In addition to completing the annual disclosure statement, directors and officers must disclose potential or actual conflicts on an ongoing basis as matters arise All disclosures are evaluated and a determination of whether a conflict exists is made by the Board or a committee of the Board All employees are subject to a conflicts of interest policy that is monitored by the Office of the Secretary

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	There is a compensation committee that reviews and approves all total compensation of executive / key personnel at Temple University Health System through an evaluation performed by an external compensation expert before the compensation is approved

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	The Unaudited Internal Financial Statements of the Temple University Health System and certain of its related organizations are distributed and made available to the public at the end of each quarter as per the System's Continuing Disclosure Agreement (Series of 2007 Bond Issue) through the Digital Assurance Corp (DAC), the Municipal Services Reporting Board's EMMA disclosure site and the Health Systems financial web site The Annual Audited Financial Statements are also released to the public in the same manner To the extent required by applicable law, the organization makes its governing documents available to the public upon request

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized gains on investments 6,703,981 Pension 18,014,490 Permanently Restricted Contributions 3,587,371 Fortress -506,628 Total to Form 990, Part XI, Line 5 27,799,214

Identifier	Return Reference	Explanation
Hours of Members at other Organizations	Form 990, Part VIII, Section A, Column B	Jane Scaccetti 7 Sandra Gomberg 5 Beth C Koob 45 Betty McAdams 45 Edward A Chabalowski 5 Joseph G Klos 45 Robert H Lux 45 Herbert P White 45 Kathleen Barron 5 Joseph Evans 5 Dr Ann Weaver Hart 45 Patrick J O'Conner 15

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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
Temple University Hospital Inc

Employer identification number
23-2825878

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

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

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

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

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) TUHS Insurance Company LTD 3509 N Broad Street 9th floor - TUC Philadelphia, PA19140	Malpractice Insurance	BD					
(2) Fortress Properties Trust co Fortress Properties Inc 3 Village Road Suite 100 Horsham, PA19044 26-6241201	Trust for the benefit of Temple University, Inc	PA	Temple University Hospital Inc	T			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	Yes	
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f	Yes	
g Purchase of assets from other organization(s)	1g	Yes	
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i	Yes	
j Lease of facilities, equipment, or other assets from other organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations by other organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets	1m	Yes	
n Sharing of paid employees	1n	Yes	
o Reimbursement paid to other organization for expenses	1o	Yes	
p Reimbursement paid by other organization for expenses	1p	Yes	
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r	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: 23-2825878
Name: Temple University Hospital Inc

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
Temple University Of The Commonwealth System of Higher Educatn 300 Sullivan Hall 1330 W Berks St Philadelphia, PA19122 23-1365971	Education	PA	501c3	2	N/A		No
Temple University Health System Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA19140 23-2825881	Health Care	PA	501c3	11a, Type 1	N/A		No
Temple University Health System Foundation Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA19140 23-2916108	Health Care	PA	501c3	11a, Type 1		Yes	
Jeanes Hospital 7600 Central Avenue Philadelphia, PA19140 23-2826045	Health Care	PA	501c3	3	N/A		No
Jeanes Hospital Auxiliary 7600 Central Avenue Philadelphia, PA19111 23-1917776	Health Care	PA	501c3	9	N/A		No
Temple East Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA19140 23-2547305	Health Care	PA	501c3	11a, Type 1		Yes	
Temple East Real Estate Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA19140 20-1776524	Health Care	PA	501c3	11a, type 1		Yes	
Temple Physicians Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA19140 23-2790607	Health Care	PA	501c3	9	N/A		No
Temple Health System Transport Team Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA19140 75-3084023	Health Care	PA	501c3	9	N/A		No
Episcopal Hospital 3509 N Broad Street Room 936 c/o TU Philadelphia, PA19140 23-1365351	Health Care	PA	501c3	11a, Type 1		Yes	
Greater Phila Health Serv III Corp 23-2989581dba Temple Continuing Care 3509 N Broad Street Room 936 c/o TU Philadelphia, PA19140 23-2989581	Health Care	PA	501c3	PF	N/A		No

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)	Temple East Inc	I	215,341	Negotiated rate
(2)	Temple East Inc	J	447,788	Negotiated rate
(3)	Temple East Inc	N	872,722	Actual Hours Worked
(4)	Temple East Inc	P	3,116,298	Actual Cost
(5)	Episcopal Inc	F	161,388	Negotiated purchase agreement
(6)	Episcopal Inc	K	1,382,328	Negotiated purchase agreement
(7)	Episcopal Inc	P	453,624	Negotiated purchase agreement
(8)	Fortress Properties	C	5,600,540	Book Value

Temple University Health System

Consolidated Financial Statements as of and for the Years Ended June 30, 2011 and 2010, Supplemental Schedules as of and for the Year Ended June 30, 2011, and Independent Auditors' Report

TEMPLE UNIVERSITY HEALTH SYSTEM

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Temple University Health System, Inc
Philadelphia, Pennsylvania

We have audited the accompanying consolidated balance sheets of Temple University Health System (the "Health System") (a wholly owned subsidiary of Temple University — Of the Commonwealth of Higher Education) as of June 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended These financial statements are the responsibility of the Health System's management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control over financial reporting Accordingly, we express no such opinion An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Temple University Health System as of June 30, 2011 and 2010, and the results of its operations, changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole The supplemental schedules of consolidating information as of and for the year ended June 30, 2011, are presented for the purpose of additional analysis of the basic 2011 consolidated financial statements rather than to present the financial position, results of operations and changes in net assets of the individual organizations, and are not a required part of the basic 2011 consolidated financial statements These schedules are the responsibility of the Health System's management Such schedules have been subjected to the auditing procedures applied in our audit of the basic 2011 consolidated financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic 2011 consolidated financial statements taken as a whole

Deloitte & Touche LLP

October 20, 2011

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2011 AND 2010
(In thousands)

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 140,241	$ 170,497
Patient accounts receivable — net of allowance for doubtful accounts of $21,719 in 2011 and $22,783 in 2010	123,682	123,766
Other receivables — net of allowance for doubtful accounts of $549 in 2011 and $1,333 in 2010	29,076	81,906
Inventories and other current assets	19,901	23,343
Current portion of assets limited as to use	27,285	32,134
Current portion of workers' compensation fund	5,720	5,663
Investments	138,986	88,155
Total current assets	484,891	525,464
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	9,052	12,899
Buildings	396,911	383,025
Fixed and movable equipment	342,082	315,836
Construction-in-progress	5,592	15,686
	753,637	727,446
Less accumulated depreciation	490,470	460,946
Net property, plant and equipment	263,167	266,500
ASSETS LIMITED AS TO USE	91,292	91,307
INVESTMENTS	38,410	34,927
WORKERS' COMPENSATION FUND	6,676	7,484
ESTIMATED SETTLEMENT WITH THIRD-PARTY PAYOR		6,000
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	21,483	18,587
BENEFICIAL INTEREST IN THE ASSETS HELD BY EPISCOPAL FOUNDATION	19,170	16,310
OTHER ASSETS	24,901	6,461
TOTAL ASSETS	$ 949,990	$ 973,040

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2011 AND 2010
(In thousands)

LIABILITIES AND NET ASSETS	2011	2010
CURRENT LIABILITIES		
Current portion of long-term debt	$ 9,094	$ 22,381
Accounts payable	47,135	46,605
Accrued expenses	52,689	58,695
Current portion of estimated settlements with third-party payors	4,055	5,338
Current portion of self-insurance program liabilities	34,586	26,898
Other current liabilities	23,166	45,106
Total current liabilities	170,725	205,023
LONG-TERM DEBT	323,879	327,724
ESTIMATED SETTLEMENTS WITH THIRD-PARTY PAYORS	1,230	1,168
SELF-INSURANCE PROGRAM LIABILITIES	122,563	114,810
ACCRUED POSTRETIREMENT BENEFITS	33,995	73,790
OTHER LONG-TERM LIABILITIES	26,824	25,134
Total liabilities	679,216	747,649
NET ASSETS		
Unrestricted	223,490	182,532
Temporarily restricted	5,111	6,442
Permanently restricted	42,173	36,417
Total net assets	270,774	225,391
TOTAL LIABILITIES AND NET ASSETS	$ 949,990	$ 973,040

See notes to consolidated financial statements (Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010
(In thousands)

	2011	2010
UNRESTRICTED NET ASSETS		
UNRESTRICTED REVENUES AND OTHER SUPPORT		
Net patient service revenue	$967,083	$928,900
Other revenue	24,744	23,503
Investment income	539	582
Net assets released from restrictions used for operations	1,823	822
Unrestricted revenues and other support	994,189	953,807
EXPENSES		
Salaries	390,028	400,271
Employee benefits	115,927	110,967
Professional fees	74,104	71,940
Supplies and pharmaceuticals	152,087	153,753
Purchased services and other	95,434	75,907
Maintenance	13,458	12,259
Utilities	16,976	17,105
Leases	13,345	13,160
Insurance	49,515	54,379
Depreciation and amortization	37,275	39,440
Interest	19,851	20,137
Provision for bad debts	15,968	17,714
Restructuring and estimated asset impairment charges		2,281
Gain on disposal of fixed assets	(252)	(760)
Expenses	993,716	988,553
OPERATING GAIN (LOSS)	473	(34,746)
OTHER INCOME — Net		
Investment income	11,862	19,990
Other — net	72	
Other income — net	11,934	19,990
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SUPPORT OVER EXPENSES FROM CONTINUING OPERATIONS	12,407	(14,756)
NET GAIN FROM DISCONTINUED OPERATIONS	4,684	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SUPPORT OVER EXPENSES	17,091	(14,756)
OTHER CHANGES IN UNRESTRICTED NET ASSETS		
Transfers to the University	(14,589)	(14,275)
Net assets released from restrictions used for purchase of property and equipment	2,069	249
Net change in fair value of investments	7,848	(4,561)
Adjustment to funded status of pension and postretirement liabilities	28,539	(26,536)
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	40,958	(59,879)
TEMPORARILY RESTRICTED NET ASSETS		
Contribution income	2,342	1,782
Net assets released from restrictions	(3,986)	(1,071)
Net unrealized gains on investments	284	104
Investment income	29	33
(Decrease) increase in temporarily restricted net assets	(1,331)	848
PERMANENTLY RESTRICTED NET ASSETS		
Contribution income		135
Change in beneficial interest in assets held by Episcopal Foundation	2,861	772
Change in beneficial interest in perpetual trusts	2,895	1,085
Increase in permanently restricted net assets	5,756	1,992
INCREASE (DECREASE) IN NET ASSETS	45,383	(57,039)
NET ASSETS — Beginning of year	225,391	282,430
NET ASSETS — End of year	$270,774	$225,391

See notes to consolidated financial statements

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010
(In thousands)

	2011	2010
OPERATING ACTIVITIES		
Change in net assets	$ 45,383	$ (57,039)
Gain from discontinued operations	(4,684)	
Increase (decrease) in net assets from continuing operations	40,699	(57,039)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Net realized and unrealized gains on investments	(8,064)	(3,209)
Net realized and unrealized gains on beneficial interests in perpetual trusts	(5,756)	(1,856)
Depreciation and amortization	37,275	39,440
Amortization of bond premium and discount	165	177
Provision for bad debts	15,968	17,714
Estimated asset impairment		4,384
Adjustment to funded status of pension and postretirement liabilities	(28,539)	26,536
Proceeds from contributions and investments restricted to property, plant and equipment and endowments	(2,561)	(1,927)
(Gain) on disposal of fixed assets	(252)	(760)
Asset impairment		
Transfers to the University	14,589	14,275
Changes in operating assets and liabilities		
Patient accounts receivable	(15,884)	(20,136)
Other receivables	42,030	(34,710)
Pledges receivable — net	200	(452)
Inventories and other current assets	5,458	129
Other assets	(7,839)	10,060
Accounts payable	1,932	(9,984)
Accrued expenses	(6,006)	1,925
Estimated settlements with third-party payors	4,779	(614)
Self-insurance program liabilities	15,441	13,895
Other liabilities	(30,822)	2,276
Net cash provided by operating activities	72,813	124
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(38,008)	(33,164)
Purchases of investments	(407,617)	(400,513)
Proceeds from sales of investments	366,982	480,127
Proceeds from sale of fixed assets	4,899	1,186
Net cash (used in) provided by investing activities	(73,744)	47,636
FINANCING ACTIVITIES		
Proceeds from contributions and investments restricted to property, plant and equipment and endowments	2,561	1,927
Repayment of long-term debt	(22,797)	(3,175)
Proceeds from issuance of long-term debt	5,500	
Transfers to the University	(14,589)	(14,275)
Net cash used in financing activities	(29,325)	(15,523)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(30,256)	32,237
CASH AND CASH EQUIVALENTS — Beginning of year	170,497	138,260
CASH AND CASH EQUIVALENTS — End of year	$ 140,241	$ 170,497
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION — Cash paid for interest	$ 19,686	$ 19,377
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITY		
Amounts recorded for purchases of property and equipment in excess of amounts paid were $3,282,000 and $1,610,000 in 2011 and 2010, respectively		
The cost of assets acquired through capitalized leases in 2011 and 2010 was $0 and $5,219,000, respectively		

See notes to consolidated financial statements

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Temple University Health System, Inc. ("TUHS") is a Pennsylvania nonprofit corporation of which Temple University — Of The Commonwealth System of Higher Education (the "University" or "TU") is the sole member. TUHS was incorporated in August 1995 and serves principally to coordinate the activities and plans of its health care subsidiaries in Philadelphia and the surrounding area. TUHS is the sole member of these subsidiaries. At June 30, 2011 and 2010, the subsidiaries and affiliates (herein referred to as "corporate members") of TUHS (collectively, with TUHS, referred to as the "Health System"), all of which operate in Philadelphia and the surrounding area, include the following:

- Temple University Hospital, Inc. ("TUH"), a nonprofit corporation, 740-bed acute care teaching hospital.
- Temple University Health System Foundation ("TUHSF"), a nonprofit corporation, is a wholly owned subsidiary of TUH formed to support the health-care-related activities of TUHS.
- Temple East, Inc. ("TE"), a nonprofit corporation, operated a 189-bed acute care hospital doing business as Northeastern Hospital ("NEH") and ceased operations on June 29, 2009. On the same date, TUH began operations on the TE Campus doing business as the Northeastern Ambulatory Care Center ("NACC") providing outpatient health care services.
- Temple East Real Estate Inc. ("TERE"), a nonprofit corporation, is a title holding, supporting organization that facilitates the provision of health care services by NACC.
- Jeanes Hospital and affiliate ("JH"), a nonprofit corporation, 176-bed acute care hospital located in the Fox Chase section of Philadelphia.
- Episcopal Hospital ("Episcopal"), a nonprofit corporation, providing clinical outpatient health care services.
- Temple Health System Transport Team, Inc. ("T3"), a nonprofit corporation, is a critical care ambulance company.
- Greater Philadelphia Health Services III Corporation ("GPHSC III"), a nonprofit corporation, which did business as Temple Continuing Care Center ("TCCC"), and ceased operations in February 2003 (see Note 14). On June 29, 2011, the Corporation was dissolved.
- Temple Physicians, Inc. ("TPI"), a nonprofit corporation formed to develop and acquire community-based primary care practices located in the service area of TUHS.
- Temple Professional Associates ("TPA"), a nonprofit corporation, which is a wholly owned subsidiary of TPI formed to acquire primary care physician networks located in the service area of TUHS, and

- TUHS Insurance Company, Ltd ("TUHIC"), a captive insurance company established to reinsure the professional liability claims of certain subsidiaries of TUHS TUHS is the sole owner of TUHIC which is domiciled in Bermuda and is not required to pay taxes in Bermuda on either income or capital gains

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Health System All significant intercompany transactions and balances have been eliminated in consolidation

Cash and Cash Equivalents — Cash equivalents consist primarily of highly liquid investments, such as money market funds and debt instruments with original maturities of three months or less at the time of purchase At June 30, 2011 and 2010, the Health System had cash balances in financial institutions, which exceed federal depository insurance limits Management believes that credit risks related to these deposits is minimal Cash and cash equivalents are carried at cost, which approximates market value

Investments — Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value Investment income or loss (including realized gains and losses, interest, and dividends) is included in other income unless the income is restricted by donor or law, except for investment income on borrowed funds held by trustees as collateral on outstanding debt This investment income is included in unrestricted revenue and other support Unrealized gains and losses on equity securities with readily determinable fair values and all investments in debt securities are excluded from the excess of revenues over expenses unless the amount was recorded as part of the other-than-temporary impairment adjustment as disclosed in Note 5

The Health System also invests in various limited partnerships which are private equity funds Such investments are accounted for on the equity basis of accounting, which approximates fair value as determined by the fund managers and financial information provided by the limited partnership This financial information includes assumptions and methods that were reviewed by the Health System The Health System believes that the estimated fair value is reasonable as of June 30, 2011 and 2010 Because these investments are not readily marketable, the estimated fair values are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market existed, and such differences could be material These investments vary as to their level of liquidity, with differing requirements for notice prior to redemption or withdrawal Investment gains and losses on these funds are included in other income

Investments, in general, are exposed to various risks such as interest rate, credit and overall market volatility As such, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements

The Health System reviews its investments to identify those for which market value is below cost The Health System then makes a determination as to whether investments are other-than-temporarily impaired based on guidelines established in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 320

Assets Limited as to Use — Assets limited as to use primarily include assets held by trustees under indenture and insurance agreements, designated assets set aside by the Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes and donor restricted assets Amounts required to meet current liabilities of the Health System have been classified as current assets in the consolidated balance sheets

Inventories — Inventories are stated at the lower of cost or market

Property, Plant and Equipment — Property, plant and equipment are stated at cost Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method Depreciation expense, was $37,275,000 and $39,440,000 for the years ended June 30, 2011 and 2010, respectively Expenditures for maintenance and repairs necessary to maintain property, plant and equipment are charged to operations Costs of renewals and betterments are capitalized The cost of assets acquired through capitalized leases is $8,617,000 and $8,692,000, at June 30, 2011 and 2010, respectively, and is included in the property, plant and equipment balances Amortization of these assets is included with depreciation expense At June 30, 2011 and 2010, the accumulated depreciation balance included $4,326,000 and $2,936,000, respectively, of accumulated amortization of capital leased assets Interest costs incurred on borrowed funds during the period of construction of capital assets, net of interest earned on the unexpended proceeds of tax-exempt borrowings specifically incurred for construction, are capitalized as a component of the cost of acquiring those assets No interest costs were capitalized during fiscal years ended June 30, 2011 and 2010

Long-Lived Assets Review — The Health System reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable If the carrying value of a long-lived asset is considered impaired, a loss is recognized by which the carrying value exceeds the fair value (less any costs related to disposal or abandonment, if applicable) During fiscal year ended June 30, 2010, based on offers to purchase the TE and TERE property, plant and equipment related to the closure of Northeastern Hospital as an acute care facility, the Health System recognized a non-cash impairment charge of $4,384,000 The amount is included in restructuring and estimated asset impairment charges on the Statement of Operations and Changes in Net Assets On December 15, 2010, TE and TERE sold the property known as the Northeastern Hospital and the adjacent parking lot for $7,500,000 which resulted in a gain on sale in the amount of $131,000

Asset Retirement Obligations — The Health System recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred, in accordance with FASB ASC Topic 410, if a reasonable estimate of the fair value of the obligation can be made When the liability is initially recorded, the Health System capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset The value of the asset, when established in 2006, was $324,000 Over time, the liability is accreted to its present value each period using a discount rate of 6 75%, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statement of operations and changes in net assets At June 30, 2011 and 2010, the recorded asset retirement obligation liability is $3,021,000 and $3,813,000, respectively Accretion costs for 2011 and 2010 were $258,000 and $244,000, respectively

Deferred Financing Costs — Deferred financing costs are amortized over the term of the related debt Gross deferred financing costs as of June 30, 2011 and 2010, were $2,281,000 and $2,281,000, respectively Accumulated amortization of deferred financing costs was $973,000 and $869,000 as of June 30, 2011 and 2010, respectively Deferred financing costs are reported as other assets

Net Assets — Net assets are categorized according to externally (donor) imposed restrictions A description of the three net asset categories follows

Unrestricted Net Assets — are those assets that are available for the support of operations and whose use is not externally restricted, although their use may be limited by other factors such as by contract or board designation

Temporarily Restricted Net Assets — are those assets whose use by the Health System has been limited by donors to a specific time period or purpose

Permanently Restricted Net Assets — include gifts, trusts and pledges that require by donor restrictions that the corpus be invested in perpetuity, with only the income available for operations or in accordance with donor restrictions

Beneficial Interest in Perpetual Trusts — The Health System is the irrevocable beneficiary of the income from certain perpetual trusts administered by third parties The Health System's beneficial interest is reported at the fair value of the underlying trust assets Because the trusts are perpetual and the original corpus cannot be used, these funds are reported as permanently restricted net assets

Contributions — The Health System records unconditional promises to give (pledges) as receivables and revenues, and distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions Upon expiration of donor restrictions, amounts are reclassified as unrestricted and reported as net assets released from restriction

Performance Indicator — In the accompanying consolidated statements of operations and changes in net assets, the primary indicator of the Health System's results is "Excess (deficiency) of revenues and other support over expenses" Changes in unrestricted net assets which are excluded from the excess (deficiency) of revenues and other support over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods or services, contributions of long lived assets, certain adjustments to pension and postretirement liabilities, and gains and losses related to discontinued operations

Net Patient Service Revenue and Estimated Settlements with Third-Party Payors — The Health System has agreements with third-party payors that provide for payments at amounts different from its established rates Payment arrangements include primarily prospectively determined rates per discharge, per visit and per-diem payments and, to a lesser extent, reimbursed costs and discounted charges In addition, the Health System receives medical assistance payments for the reimbursement of services for charity and uncompensated care services The federal funding of such costs is subject to an upper payment limit and retrospective settlement

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered or when known by the Health System and adjusted in future periods as final settlements or changes in estimates are determined Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term For the fiscal years ended June 30, 2011 and 2010, net patient service revenue increased by $6,465,000 and $5,486,000, respectively, as a result of settlements related to prior years or changes in estimates related thereto

Other Revenue — Other revenue includes amounts earned from cafeteria operations, parking garage operations, transport services provided by T3, and other non-patient care services

Charity Care — The Health System provides care without charge or at a standard rate discounted for uninsured patients that is not related to published charges to patients who meet certain criteria under the Health System's charity care policy Some patients qualify for charity care based on federal poverty guidelines or their financial condition being such that requiring payment would impose a hardship on the patient Because the Health System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue

Other Income — For the year ended June 30, 2011, other income included a gain on the sale of a swap agreement to a third party of $6,072,000

At June 30, 2010, a receivable of $6,000,000 is reported as an estimated settlement with a third-party payor This settlement relates to depreciation expense recapture which was claimed on a terminating cost report filed with Medicare as a result of the statutory merger of JH into the Health System in 1996 On October 18, 2011 the Health System received the opinion of the Third Circuit, affirming the district court's decision denying Jeanes Hospital's claim for reimbursement As a result of this decision, management has reduced this receivable to $-0- and reported a $6,000,000 non operating loss for fiscal year June 30, 2011

Income Taxes — Substantially all of the individual members of the Health System are nonprofit corporations and have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code A wholly owned subsidiary, which is currently inactive, in which the Health System exercises control is a for-profit corporation that is subject to federal and state income tax Such taxes are immaterial and have been reported with other expenses in the accompanying consolidated financial statements

The Health System's federal Exempt Organization Business Income Tax Returns for 2011, 2010, 2009, and 2008 remain subject to examination by the Internal Revenue Service

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates Significant estimates comprise the allowances for doubtful accounts, contractual allowances, estimated settlements with third-party payors, self insurance program liabilities, accrued postretirement benefits, estimated asset retirement obligations, asset impairments and the value of alternative investments

Recovery of FICA Taxes Paid in Prior Years — During 2010, the Health System recognized a $10,800,000 recovery of the employer portion of Federal Insurance Contributions Act ("FICA") taxes paid by the Health System during the years 1995 through 2005 on the compensation of its medical residents The recovery was credited to employee benefits expense

Recently Issued Accounting Pronouncements — In April 2009, the FASB issued guidance on mergers and acquisitions regarding not-for-profit entities that is now incorporated into FASB ASC Topic 958, was effective for fiscal years beginning after December 15, 2009 FASB ASC Topic 958 changes the accounting for (1) combinations involving two or more not-for-profit entities and (2) combinations in which a not-for-profit entity acquires a for-profit business or a nonprofit activity The impact of adopting FASB ASC Topic 958 will be dependent on any future mergers and acquisitions that the Heath System may pursue after its effective date

In January 2010, the FASB issued Accounting Standards Update (ASU) No 2010-06 which is guidance regarding improved disclosures about fair value measures and amends FASB ASC Topic 820 and FASB ASC Topic 715 Specifically, the ASU requires entities to disclose the amounts of significant transfers between Level 1 and Level 2 of the fair value hierarchy and the reasons for these transfers, the reasons for any transfers in or out of Level 3, and information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis In addition to these new disclosure requirements, the ASU also amends ASC 820 to clarify certain existing disclosure requirements The ASU amends ASC 820 to clarify that reporting entities are required to provide fair value disclosures for each class of assets or liabilities and information about both the valuation

techniques and inputs used in estimating Level 2 and Level 3 fair value measurements The Health System adopted ASU No 2010-06 in 2011 and it did not have a material impact on the Health System's financial statements The additional required disclosures regarding fair value measures are found in footnote 17

In August 2010, the FASB issued ASU No 2010-23 which is guidance regarding measuring charity care for disclosure and is incorporated into FASB ASC Topic 954-605 The ASU requires that management's policy for providing charity care, as well as the level of charity care provided, is disclosed in the financial statements Such disclosures shall be measured based on the provider's direct and indirect costs of providing charity care services The ASU is effective for fiscal years beginning after December 15, 2010 The Health System is currently assessing the impact the adoption of the ASU will have on its consolidated financial statements

In August 2010, the FASB issued ASU No 2010-24 which clarifies that a health care entity should not net insurance recoveries against a related claim liability The ASU requires that the ultimate costs of malpractice claims or similar contingent liabilities shall be accrued when the incidents that give rise to the claims occur In addition, a health care entity shall evaluate its exposure to losses arising from claims and recognize a liability, if appropriate Also, a health care entity with a retrospectively rated insurance policy whose ultimate premium is based primarily on the health care entity's loss experience shall account for the minimum premium as an expense over the period of coverage under the policy Insurance recoveries shall not be recognized until the estimated losses exceed the stipulated maximum premium The ASU is effective for fiscal years beginning after December 15, 2010 The Health System is currently assessing the impact the adoption of the ASU will have on its consolidated financial statements

In May 2011, the FASB issued ASU No 2011-04 which is guidance that results in common fair value measurement and disclosure requirements in U S GAAP and IFRS The ASU is effective for fiscal years beginning after December 15, 2011 The Health System is currently assessing the impact the adoption of the ASU will have on its consolidated financial statements

In July 2011, the FASB issued ASU 2011-07 which requires health care entities to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue in the statement of operations and changes in net assets rather than as an operating expense The guidance provided in this ASU will be effective for fiscal years ending after December 15, 2012 Additional disclosures relating to the Health System's sources of patient revenue and its allowance for doubtful accounts related to patient accounts receivable will also be required The adoption of the ASU is not expected to have any impact on the Health System's financial condition, overall results of operations or cash flows Upon adoption of this ASU, the Health System will reclassify the provision for bad debts related to prior period patient service revenue as a deduction from patient service revenue as required by this ASU

Reclassifications — The Health System has reclassified certain amounts in the statement of cash flows for 2010 to conform to the 2011 presentation Both the change in the value of beneficial interests in perpetual trusts and the amortization of bond premiums and discounts have now been separately disclosed

The Health System has reclassified certain amounts in the balance sheet for 2011 to appropriately classify other receivables as long term

The Health System has reclassified certain amounts in footnote 17 for 2010 to conform to the 2011 presentation

3. BUSINESS AND CREDIT CONCENTRATION

The Health System provides diversified health care services primarily to area residents through its inpatient and outpatient care facilities in the Greater Philadelphia Metropolitan Area As a function of its mission and location, the Health System serves a disproportionately high number of poor or indigent patients, consequently, the Health System derives a substantial portion of its revenue from the Medicare (federal government) and the Medical Assistance (Commonwealth of Pennsylvania, Department of Public Welfare [DPW]) programs

The distribution of inpatient services provided from continuing operations (TUH, JH and TE) based upon patient discharges (excluding newborns) by class of payor for the years ended June 30, 2011 and 2010, is as follows (unaudited)

	2011		2010	
	Discharges	%	Discharges	%
Continuing operations				
Medical assistance				
Fee for service	3,564	9 8 %	3,779	9 7 %
Managed care	11,617	32 0	13,265	33 9
Total medical assistance	15,181	41 8	17,044	43 6
Medicare				
Fee for service	7,243	19 9	7,014	17 9
Managed care	6,718	18 5	7,106	18 2
Total Medicare	13,961	38 4	14,120	36 1
Independence Blue Cross*	4,162	11 4	4,725	12 1
All other	3,056	8 4	3,201	8 2
	36,360	100 0 %	39,090	100 0 %

*Includes Traditional, Personal Choice and Keystone Health Plan East insurance plans

Health Choices is a DPW program that requires all Medical Assistance recipients in the Philadelphia five-county area to join a Medicaid HMO Under Health Choices, DPW has entered into capitation arrangements with four Medicaid HMOs, which in turn negotiate separate payment rates with health care providers The Medical Assistance-managed care category above includes the four Medicaid HMOs under the Health Choices program

The Health System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of net receivables from third-party payors and patients at June 30, 2011 and 2010, is as follows

	2011	2010
Medical assistance		
Fee for service (FFS)	13 7 %	8 9 %
Managed care	20 9	22 9
Medicare (FFS only)	12 7	12 4
Independence Blue Cross*	23 0	23 3
Aetna U S Healthcare	6 8	8 3
Commercial	5 3	14 2
Managed care/HMOs (including Medicare)	15 6	6 6
Other	2 0	3 4
	100 0 %	100 0 %

*Includes Traditional, Personal Choice and Keystone Health Plan East insurance plans

4. CHARITY CARE

The Health System maintains detailed records to identify and monitor the level of charity care it provides to its patients The estimated costs and expenses incurred to provide charity care, including the estimated unreimbursed cost of services in excess of payments from Medical Assistance programs, were $142,329,000 and $149,252,000 for the fiscal years ended June 30, 2011 and 2010, respectively (see Note 16)

5. INVESTMENTS

Assets Limited as to Use — The composition of assets limited as to use at June 30, 2011 and 2010, is set forth in the following table (in thousands)

	2011	2010
Under indenture agreements-held by trustee		
Debt service funds	$ 15,626	$ 17,867
Debt service reserve funds	35,097	34,869
	50,723	52,736
Under debt agreements	163	399
Under insurance arrangements (primarily TUHIC)	46,290	48,119
Board designated	14,913	15,033
Donor restricted	6,149	6,798
Workers' compensation	339	356
	118,577	123,441
Less amounts required for current liabilities	27,285	32,134
	$ 91,292	$ 91,307

By security classification (in thousands)

	2011	2010
U S government securities	$ 75,074	$ 63,961
Corporate bonds, notes, and other debt securities	4,841	7,635
Cash and money market funds	36,956	50,473
Equity securities and mutual funds	1,706	1,372
	$ 118,577	$ 123,441

Workers' Compensation Fund — Workers' compensation fund at June 30, 2011 and 2010, consisted of (in thousands)

	2011	2010
U S government securities	$ 6,941	$ 8,520
Corporate bonds, notes, and other debt securities	4,989	4,127
Cash and money market funds	466	500
	$ 12,396	$ 13,147

Investments — Investments at June 30, 2011 and 2010, consisted of (in thousands)

	2011	2010
U S government securities	$ -	$ 40,197
Corporate bonds, notes, and other debt securities		12,784
Fixed income mutual funds	97,989	
Cash and money market funds	2,907	5,370
Equity securities and mutual funds	54,769	44,363
Limited liability partnerships	21,531	19,546
Other	200	822
	$ 177,396	$ 123,082

Investment Income — Investment income and gains (losses) from investments, including assets limited as to use and cash and cash equivalents, are comprised of the following for the years ended June 30, 2011 and 2010 (in thousands)

	2011	2010
Interest and dividend income	$ 13,367	$ 12,834
Net realized gains on sales of investments	2,636	7,956
Recognition of other-than-temporary impairment	(3,573)	(185)
Net unrealized gains/(losses)	7,900	(4,457)
	$ 20,330	$ 16,148

Interest, dividends, realized and unrealized gains are reported as follows (in thousands)

	2011	2010
Consolidated statements of operations and changes in net assets		
Unrestricted revenues — investment income	$ 539	$ 582
Unrestricted other income — investment income	11,862	19,990
Other changes in unrestricted net assets — net change in fair value	7,848	(4,561)
Temporarily restricted net assets — net unrealized gains	52	104
Temporarily restricted net assets — investment income	29	33
	$ 20,330	$ 16,148

Unrealized gains (losses) are reported as a component of other changes in unrestricted net assets in the consolidated statements of operations and changes in net assets unless their use is restricted by donor

The Health System has determined it is more likely than not that the Health System may be required to sell its available-for-sale securities before their anticipated recoveries In assessing whether it is more likely than not that the Health System will be required to sell a security before its anticipated recovery, the Health System considers various factors including its future cash flow requirements, legal and regulatory requirements, the level of its cash, cash equivalents, short term investments and fixed maturity investments available-for-sale in an unrealized gain position, and other relevant factors

In evaluating credit losses, the Health System considers a variety of factors in the assessment of a security including (1) the time period during which there has been a significant decline below cost, (2) the extent of the decline below cost and par, (3) the potential for the security to recover in value, (4) an analysis of the financial condition of the issuer, (5) the rating of the issuer, and (6) failure of the issuer of the security to make scheduled interest or principal payments

During fiscal years 2011 and 2010, the Health System recorded other-than-temporarily impairment charges of $3,573,000 and $185,000, respectively, on certain investments in debt and equity securities

TUHIC Debt Securities — At June 30, 2011 and 2010, TUHIC held investments in debt securities These securities are included as assets limited as to use in the Health System's consolidated balance sheets The amortized cost and estimated fair value of debt securities at June 30, 2011 and 2010 by contractual maturity, are shown below (in thousands) Expected maturities may differ from contractual maturities because borrowers may have the right to call or repay obligations with or without call or prepayment penalties Gross unrealized holding gains on these securities aggregated $794,000 and $1,568,000 at June 30, 2011 and 2010, respectively Gross unrealized holding losses on these securities aggregated $66,000 and $3,000 at June 30, 2011 and 2010, respectively

	2011		2010	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due within one year	$ 805	$ 818	$ 1,867	$ 1,887
Due after one year through five years	18,435	18,704	22,981	23,413
Due after five years through ten years	18,345	18,655	6,461	6,917
			4,017	4,323
	37,585	38,177	35,326	36,540
Mortgage & Asset-backed securities	6,773	6,909	8,377	8,728
	$ 44,358	$ 45,086	$ 43,703	$ 45,268

6. LONG-TERM DEBT

Long-term debt at June 30, 2011 and 2010, was as follows (in thousands)

	2011	2010
2007 TUHS Series A and B Hospital Revenue Bonds issued by the Hospitals and Higher Education Facilities Authority of Philadelphia (the "Authority") at fixed interest rates of 5.0% and 5.5%, due in installments through 2035, (net of unamortized bond premium of $745 and $788 and bond discount of $1,533 and $1,621 at June 30, 2011 and 2010, respectively)	$214,932	$216,622
Note payable to the Pennsylvania Industrial Development Corporation due in April 2011 at a fixed interest rate of 2.5%		12,500
1993 TUH Hospital Revenue Bonds, issued by the Authority at a fixed interest rate of 6.625%, due in installments through 2023 (net of unamortized bond discount of $615 and $704 at June 30, 2011 and 2010, respectively)	108,120	108,031
Loan payable to Episcopal Healthcare Foundation due in December 2020 at a fixed interest rate of 4.0%	5,273	6,500
Various capital lease obligations due in installments through 2015 at a fixed interest rate of 6%	4,648	6,452
	332,973	350,105
Less current portion of long-term debt	9,094	22,381
	$323,879	$327,724

The bond issues and notes payable are generally collateralized by the assets and gross revenues of the TUHS Obligated Group and are subject to various financial covenants The TUHS Obligated Group includes TUHS, TUH, JH, TPI and T3 The Health System is not aware of any instances of non-compliance with its debt covenants for fiscal years 2011 and 2010

At June 30, 2011, total aggregate principal payments under long-term debt and capital lease obligations for the next five years and thereafter are (in thousands)

2012	$ 9,094
2013	10,488
2014	10,684
2015	10,041
2016	10,146
Thereafter	283,923

7. LEASE COMMITMENTS

The Health System leases certain property and equipment under operating lease agreements with remaining terms expiring at various dates through 2043 There are various financial covenants as part of these leases that are calculated based on the individual results of each member

At June 30, 2011, future minimum payments by year and in the aggregate under non-cancelable operating leases with initial or remaining terms of more than one year are as follows (in thousands)

2012	$ 7,388
2013	6,959
2014	6,714
2015	6,614
2016	6,309
Thereafter	30,565
	$ 64,549

8. RELATED PARTY TRANSACTIONS

Temple University — The Health System has made various transfers of unrestricted net assets to the University to be used for health-related programs and initiatives In fiscal years 2011 and 2010, $14,589,000 and $14,275,000, respectively, in net asset transfers were recognized All of the 2011 and 2010 transfers were disbursed by June 30, 2011 and 2010, respectively

The Health System and University allocate certain costs for services provided to each other Costs billed to the Health System by the University in 2011 and 2010 include (in thousands)

	Health System Expense	
	2011	2010
Medical school clinical physicians	$ 45,142	$ 40,181
Maintenance	7,541	7,010
Telecommunications	5,520	4,684
Institutional support	2,879	2,879
Security	1,950	3,095
Employee tuition	1,009	1,928
Other administrative support	11,171	2,770
Total expenses billed	$ 75,212	$ 62,547

The University also billed the Health System for capital projects in the amount of $1,115,000 and $7,183,000 for the years ended June 30, 2011 and 2010, respectively

TUH is the teaching hospital for Temple University's Medical School and its clinical practice plan physicians (collectively, "TUP") TUH purchases administrative, supervisory and teaching physician services from TUP TUH also provides other support to TUP to further the missions of TUH and the medical school These charges are recorded on the consolidated statements of operations and changes in net assets as a professional fee expense

The Health System charges the University for the cost of services provided to the University Amounts billed to the University in 2011 and 2010 include (in thousands)

	2011	2010
Salaries and fringe benefits, primarily for residents	$ 6,229	$ 5,221
Rent	2,959	2,617
Other	3,097	2,115
Total expenses billed to the University	$ 12,285	$ 9,953

Such amounts are included as other revenue or a reduction of expenses reported in the consolidated financial statements

At June 30, 2011 and 2010, $14,841,000 and $3,364,000, respectively, are due to the University for transactions during those years and are included in accounts payable

Health Partners — TUH and Episcopal are participants and governing members in a Medicaid HMO known as Health Partners ("HP") Under certain of its contracts with HP, the Health System is the beneficiary of, or is responsible for, allocated HP gains and losses, respectively, based primarily on the number of HP members enrolled in the Health System's primary care physicians' network and other factors as approved by the HP board The Health System's percentage allocation for fiscal year ended June 30, 2011 and 2010 was 33% and 31%, respectively

For fiscal years 2011 and 2010, HP's annual premium revenues were approximately $973,263,000 and $818,871,000, respectively For fiscal years 2011 and 2010, the Health System's estimated share of HP's net distribution was approximately $7,055,000 and $2,615,000, respectively The Health System's estimated gains are included in the accompanying consolidated statements of operations and changes in net assets as a component of net patient service revenue

9. MEDICAL PROFESSIONAL LIABILITY AND WORKERS' COMPENSATION INSURANCE

The Health System members participate in the Health System's insurance programs for medical professional liability claims Primary coverage is provided by an insurance company and reinsured to TUHIC

Because primary losses are reinsured through TUHIC, primary losses are essentially self-insured up to certain limits, which are coordinated with statutory excess coverage provided through the Pennsylvania Medical Care Availability and Reduction of Error Fund ("MCare Fund") Also, additional excess liability coverage has been obtained through a commercial insurance carrier

The Health System accrues liabilities for the estimated losses on asserted and unasserted claims The discount rate used in determining the liability at June 30, 2011 and 2010, was 1 50% and 2 00%, respectively The liabilities are comprised of asserted claims for self-insured components of the program and accruals for unasserted claims Asserted claims are specifically identified, with actuarial determination of the ultimate liability on asserted and unasserted claims based on claims settlement history The estimated discounted liability accrued for asserted and unasserted claims for the Health System was $138,626,000 and $123,680,000 at June 30, 2011 and 2010, respectively The estimated liability accrued for asserted and unasserted claims for TUHIC only was $25,498,000 and $24,194,000 at June 30, 2011 and 2010, respectively The Health System incurred net medical professional liability insurance expense of $48,056,000 and $52,367,000 in 2011 and 2010, respectively These costs are recorded in the consolidated statement of operations and changes in net assets as insurance expense

The activity in the liability for claims reported and claims incurred but not reported for TUHIC for the years ended June 30, 2011 and 2010, is summarized as follows (in thousands)

	2011	2010
Outstanding	$ 12,805	$ 13,485
Incurred but not reported	12,693	10,709
	$ 25,498	$ 24,194
Balance — July 1	$ 24,194	$ 30,549
Incurred related to current year	10,171	9,089
Incurred related to prior year	2,898	(3,170)
	13,069	5,919
Paid related to current year	260	189
Paid related to prior year	11,505	12,085
	11,765	12,274
Net balance — June 30	$ 25,498	$ 24,194

TUHIC is registered under the Bermuda Insurance Act of 1978, amendments thereto and the Related Regulations (the "Insurance Act") and is obliged to comply with various provisions of the Insurance Act regarding solvency and liquidity The minimum statutory capital and surplus at June 30, 2011 and 2010, was $2,550,000 and $2,419,000, respectively, and the actual statutory capital and surplus was $20,752,000 and $22,932,000, respectively The minimum required level of liquid assets was $21,055,000 and $23,616,000 and actual liquid assets were $48,825,000 and $54,420,000 at June 30, 2011 and 2010, respectively

The Health System is primarily self-insured for workers' compensation Program assets at June 30, 2011 and 2010, were $12,396,000 and $13,147,000, respectively Program liabilities were determined using a discount rate of 1 50% and 2 75% for fiscal years 2011 and 2010, respectively The estimated discounted liability accrued at June 30, 2011 and 2010, was $18,523,000 and $18,028,000, respectively Workers' compensation expense was $5,985,000 and $7,362,000 for fiscal years 2011 and 2010, respectively These costs are recorded in the consolidated statements of operations and changes in net assets as employee benefit expense

10. PENSION AND OTHER POSTRETIREMENT BENEFITS

The Health System sponsors various defined benefit plans at the individual affiliate level based on prescribed eligibility requirements and certain Health System employees participate in the University's defined benefit plan In addition, certain Health System members participate in the defined contribution retirement plans and defined benefit retirement plans for eligible employees that provide benefits through contributions made by the Health System and its employees Beginning January 1, 2007, the Health System established new defined contribution plans for its employees and no longer actively participated in the University's defined contribution plans Also, on November 1, 2007, the last of the TUHS defined benefit retirement plans was closed to new participants, only certain grandfathered employees are eligible to participate in the defined benefit pension plans These employees are not eligible to participate in the Health System's defined contribution plans

The Health System makes contributions to participants' accounts under the Health System's defined contribution plans based on a defined percentage of the employee's base wages and length of service The Health System contributions to the plans for fiscal years 2011 and 2010 were $14,703,000 and $13,745,000, respectively Contributions to the plans for fiscal year 2012 are expected to be $16,709,000

Also, certain Health System employees participate in multiemployer pension plans based on union-negotiated agreements The Health System funds these plans through employer contributions The Health System contributions to the plans for fiscal years 2011 and 2010 were $3,193,000 and $2,803,000, respectively Under the Employee Retirement Income Security Act of 1974, as amended by the Multi-employer Pension Plan Amendments Act of 1980, a contributor to a multiemployer plan is liable, upon termination of the plan or its withdrawal from the plan, for its share of the plan's unfunded vested liabilities Until either event occurs, the Health System's share, if any, of the unfunded vested liabilities cannot be determined At present, the Health System has no plans to withdraw from the union multi-employer pension plans

Certain Health System employees participate in the University's postretirement health and life insurance plan Benefits begin for eligible employees at age 62, and upon the accumulation of 10 years service

Postretirement Health Care Plan Trends — For measurement purposes, a 9 8% annual rate of increase in the per-capita cost of postretirement benefits was assumed for both 2011 and 2010 For 2011, this rate is assumed to decrease gradually to 5 0% in 2018 and to remain at that level thereafter Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement benefit plan A one-percentage-point change in assumed health care cost trend rates would have the following effects on the year ended June 30, 2011 (in thousands) for all Health System and University participants

	1% Increase	1% (Decrease)
Incremental effect on total of service and interest cost components	$ 3,404	$ (2,999)
Incremental effect on postretirement benefit obligation	31,183	(33,216)

Defined Benefit Pension, Defined Contribution and Postretirement Benefit Plans — Total defined benefit pension, defined contribution, and other postretirement benefit plans expense under all Health System programs amounted to $23,657,000 and $20,806,000 for the fiscal years ended June 30, 2011 and 2010, respectively

The following table sets forth the activity of the pension and other postretirement benefit plans (which includes the joint Health System and University plans) as of and for the years ended June 30, 2011 and 2010 (dollars in thousands) A measurement date of June 30 is used for the plans

	Pensions		Other Postretirement Benefit Plan	
	2011	2010	2011	2010
Change in benefit obligation				
Benefit obligation — beginning of year	$146,309	$121,327	$345,570	$ 298,414
Service cost	1,614	612	14,697	14,864
Interest cost	7,742	7,849	14,789	17,732
Plan participant contributions	244	96	2,722	2,781
Actuarial (gain) loss	(1,283)	21,973	(46,069)	27,855
Benefits paid	(5,200)	(4,721)	(18,406)	(16,076)
Administrative expenses paid	(1,290)			
Settlement	(1,330)	(827)		
Benefit obligation — end of year	146,806	146,309	313,303	345,570
Change in plan assets				
Fair value of plan assets — beginning of year	116,657	109,258	191,996	162,313
Actual return on plan assets	19,987	11,267	26,773	22,234
Employer contributions	7,119	2,668	25,573	20,744
Plan participant contributions	244	96	2,722	2,781
Plan expenses	(1,290)	(1,084)		
Benefits paid	(5,200)	(4,721)	(18,406)	(16,076)
Settlement	(1,330)	(827)		
Fair value of plan assets — end of year	136,187	116,657	228,658	191,996
Funded status	(10,619)	(29,652)	(84,645)	(153,574)
Less University prepaid (accrued) cost	3,466	616	(68,703)	(111,905)
Net amount recognized — TUHS Only	$ (14,085)	$ (30,268)	$ (15,942)	$ (41,669)
Amount recognized in the balance sheets, include				
Other noncurrent assets	$ 3,990	$ 1,872	$ -	$ -
Other current liabilities			(21)	(19)
Accrued postretirement benefits, noncurrent	(18,075)	(32,140)	(15,921)	(41,650)
Net amount recognized — TUHS Only	$ (14,085)	$ (30,268)	$ (15,942)	$ (41,669)

	Pensions		Other Postretirement Benefit Plan	
	2011	2010	2011	2010
Amounts recognized in unrestricted net assets				
Prior service costs	$ 6	$ 7	$ -	$ -
Net actuarial loss	65,396	77,204	5,998	22,720
Net amount recognized in unrestricted net assets	$ 65,402	$ 77,211	$ 5,998	$ 22,720
Weighted-average assumptions to determine benefit obligation				
Discount rate	5 45%–5 70%	5 35%–5 55%	3 70%–5 35%	5 50%–6 35%
Rate of compensation increase	3 25%–4 50%	3 25%–4 50%	N A	N A
Weighted-average assumptions to determine net periodic cost				
Discount rate	5 35%–5 55%	6 65%–6 90%	3 90%–5 20%	5 50%–6 35%
Rate of compensation increase	3 25%–4 50%	3 25%–4 50%	N A	N A
Expected return on plan assets	7 50 %	7 50%	7 50 %	8 00 %
Components of net periodic cost (benefit)				
Service cost	$ 1,614	$ 612	$ 14,697	$ 14,864
Interest cost	7,742	7,849	14,789	17,732
Expected return on plan assets	(10,059)	(10,768)	(14,472)	(13,428)
Amortization	2	2	1,152	5,237
Recognized net actuarial loss	2,803	1,022		
Net periodic cost (benefit)	2,102	(1,283)	16,166	24,405
Less University net periodic benefit (cost)	293	113	(12,213)	(18,751)
TUHS net periodic cost (benefit)	$ 1,809	$ (1,396)	$ 3,953	$ 5,654

The estimated net actuarial loss and net prior service costs for the defined benefit plans that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2012 is $2,478,000 and $2,000, respectively. The estimated net actuarial loss for the postretirement health and life insurance plan that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2012 is $3,162,000.

After the closure of NEH on June 29, 2009, some participants requested lump-sum cash payments. As of June 30, 2011 and 2010, the amount of the settlements paid totaled $1,330,000 and $827,000, respectively, which resulted in an actuarial loss of $27,000 and $111,000, respectively.

Assets Allocations — The following details the Health System's defined benefit plans asset allocations:

Pension Plans Assets	Target Allocation Fiscal Year Ending June 30, 2012	Percentage of Plan Assets at June 30, 2011	Percentage of Plan Assets at June 30, 2010
Equity securities	55%–95%	72 %	72 %
Cash and fixed income	5%–45%	28	28
Total		100 %	100 %

The following details the University-sponsored pension and other postretirement defined benefit plan asset allocations

Pension and Other Postretirment Benefit Plan Assets	Target Allocation Fiscal Year Ending June 30, 2012	Percentage of Plan Assets at June 30, 2011	Percentage of Plan Assets at June 30, 2010
Equity funds and securities	40%–60%	54 %	55 %
Cash and fixed income	40%–60%	46	45
Total		100 %	100 %

Investment Strategy — The long-term investment strategy for pension and other postretirement benefit plans assets is to meet present and future benefit obligations to all participants and beneficiaries, cover reasonable expenses incurred to provide such benefits, and provide a total return that maximizes the ratio of assets to liabilities by maximizing investment return at the appropriate level of risk

The pension plans assets of the joint Health System and Temple University plans were $136,187,000 and $116,657,000 at June 30, 2011 and 2010, respectively The fair values of the pension plan assets at June 30, 2011, by asset category are as follows (in thousands)

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,944	$ -	$ -	$ 2,944
Equity funds and securities	71,626	24,337	1,770	97,733
Fixed income mutual funds	16,276			16,276
US government securities		19,234		19,234
Total market value	$ 90,846	$ 43,571	$ 1,770	$ 136,187

The fair values of the pension plan assets at June 30, 2010, by asset category are as follows (in thousands)

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,044	$ -	$ -	$ 2,044
Equity funds and securities	57,549	25,957		83,506
Fixed income mutual funds	10,610			10,610
US government securities	56	20,441		20,497
Total market value	$ 70,259	$ 46,398	$ -	$ 116,657

Transfers between Levels 1 and 2 — During the year ended June 30, 2011, there were no transfers between Levels 1 and 2

Transfers into or out of Level 3 — Transfers into or out of Levels are reflected as of the beginning of the period when significant inputs, including market inputs or performance attributes, used for the fair value measurement become observable / unobservable, or when the Health System determines it has the ability, or no longer has the ability, to redeem in the near term certain investments that the Health System values using a NAV (or a capital account)

The following is a reconciliation of investments in securities for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2011

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)					
		Total Realized/Unrealized Gains(Losses) Included in:		Purchases, Sales, Issuances		
	Balance, July 1	Net Income	Net Assets	and Settlements	Transfers Into Level 3	Balance, June 30
Year Ended June 30, 2011						
Investments — Equity securities and mutual funds	$ -	$37	$192	$(339)	$1,880	$1,770
Total investments	$ -	$37	$192	$(339)	$1,880	$1,770

Detailed information for Level 3 investments as of June 30, 2011 follows The fair values of these investments have been estimated using a net asset value equivalent (e g ownership interest in partners' capital to which a proportionate share of net assets is attributable)

	Fair Value (In Thousands)	Unfunded Commitments (In Thousands)	Redemption Frequency (If Currently Eligible)	Redemption Notice Period (If Applicable)
Year Ended June 30, 2011				
Multi-Strategy Hedge Funds (a)	$ 614	$ -	Quarterly	91 days
Real Estate Funds (b)	1,156	-	Quarterly	95 days
	$1,770	$ -		

(a) This category includes investments that seek to earn above-average, risk adjusted, long-term returns that have a low correlation to traditional equity and fixed income markets The investments include futures contracts, call options, warrants and structured products all of which are referenced as derivative instruments

(b) This category includes investments that maintain exposure to real estate and natural resources through public and private investments whose value is strongly controlled by commodities and real estate and may act as a hedge against unanticipated inflation

The postretirement plan assets of the joint Health System and Temple University were $228,658,000 and $191,996,000 at June 30, 2011 and 2010, respectively, of which only a portion of this pool of assets belongs to the Health System The fair values of the postretirement plan assets at June 30, 2011, by asset category are as follows (in thousands)

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 6,861	$ -	$ -	$ 6,861
Equity funds and securities	97,246	25,646		122,892
US government securities	4,314	94,397		98,711
Contributions receivable	194			194
Total market value	$108,615	$120,043	$ -	$228,658

The fair values of the postretirement plan assets at June 30, 2010, by asset category are as follows (in thousands)

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 8,080	$ -	$ -	$ 8,080
Equity funds and securities	104,922			104,922
US government securities		76,084		76,084
Contributions receivable	2,910			2,910
Total market value	$ 115,912	$ 76,084	$ -	$ 191,996

Expected Return on Plan Assets — The expected long-term rate of return for the plans' total assets is based on the expected return of each of the above investment categories, weighted based on the median of the target allocation for each class Equity securities are expected to return 10% to 11% over the long-term, while cash and fixed income is expected to return between 4% and 6% Based on historical experience, the Health System expects that the plans' asset managers will provide a modest (0 5% to 1 0% per annum) premium to their respective market benchmark indices

Expected Cash Flows — The following table shows expected cash flows related to the defined benefit pension and other postretirement benefit plans (in thousands)

	Pension Plans TU/ Health System	Other Postretirement Benefit Plan TU/ Health System
Expected Health System contributions for fiscal year ending June 30, 2012		
Expected employer contributions	$ 2,890	$ 19,421
Expected employee contributions	252	2,817
Estimated future benefit payments from plan assets reflecting expected future service for the fiscal year ending		
June 30, 2012	6,195	16,816
June 30, 2013	6,647	17,472
June 30, 2014	7,026	18,341
June 30, 2015	7,420	19,340
June 30, 2016	7,836	19,958
June 30, 2017 to June 30, 2021	46,003	109,181

11. ENDOWMENT

The Health System's endowment consists of several funds established for a variety of purposes As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions

Interpretation of Relevant Law — The Health System classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present, and (b) the original value of the subsequent gifts to the permanent endowment when explicit donor stipulations requiring permanent

maintenance of the historical fair value are present The remaining portion of the donor-restricted endowment fund comprised of accumulated investment earnings not required to be maintained in perpetuity is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Health System in a manner consistent with the donor's stipulations The Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds duration and preservation of the fund, purposes of the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the Health System, and the investment policies of the Health System

Endowment net asset composition by type of fund as of June 30, 2011 (in thousands)

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$1,475	$1,520	$2,995

Endowment net asset composition by type of fund as of June 30, 2010 (in thousands)

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$1,207	$1,520	$2,727

Changes in endowment net assets for the fiscal years ended June 30, 2010 and 2011 (in thousands)

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — June 30, 2009	$1,078	$1,385	$2,463
Contributions		135	135
Investment return — investment income	136		136
Appropriations of endowment assets for expenditure	(7)		(7)
Endowment net assets — June 30, 2010	1,207	1,520	2,727
Contributions			
Investment return — investment income	311		311
Appropriations of endowment assets for expenditure	(43)		(43)
Endowment net assets — June 30, 2011	$1,475	$1,520	$2,995

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Health System to retain as a fund of perpetual duration There were no such deficiencies at June 30, 2011 and 2010

Investment Return Objectives and Spending Policy — The Health System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment while seeking to maintain the purchasing power of the

endowment assets Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner to generate returns at least equal to and preferably greater than the consumer price index plus 4 5% To satisfy its long-term rate-of-return objectives, the Health System targets a diversified asset allocation that places a greater emphasis on equity based investments within prudent risk constraints

The Health System has a policy of appropriating for distribution each year 2% to 7% of its endowment fund's average fair value over the prior three years The Board of Directors approved an appropriation of 3% for each of the years ended June 30, 2011 and 2010, respectively

12. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets were held for the following purposes at June 30, 2011 and 2010 (in thousands)

	2011	2010
Property and equipment additions	$2,686	$2,362
Specific health care programs	2,425	4,080
	$5,111	$6,442

Permanently restricted net assets consist of the following at June 30, 2011 and 2010 (in thousands)

	2011	2010
Endowment funds, income from which is expendable for specific health care programs (income is temporarily restricted)	$ 1,520	$ 1,520
Beneficial interest in perpetual trusts, income from which is expendable to support health care services (income reported as unrestricted)	21,483	18,587
Beneficial interest in assets held by Episcopal Foundation	19,170	16,310
	$42,173	$36,417

The Episcopal Healthcare Foundation (the "Foundation") controls certain investments that, according to its organizational structure, are held for the benefit of TUH's Episcopal campus operations TUH has recognized the present value of future cash flows from the Foundation as an asset (beneficial interest in the assets held by Episcopal Foundation) and permanently restricted net assets of $19,170,000 and $16,310,000 at June 30, 2011 and 2010, respectively

As reported by the respective trustees, the composition of the above funds in which the Health System has a beneficial interest is approximately 68% and 71% marketable equity securities and 32% and 29% fixed income securities at June 30, 2011 and 2010, respectively

13. RESTRUCTURING AND ESTIMATED ASSET IMPAIRMENT CHARGES

Management continues to evaluate the business and in 2009, the Health System developed a comprehensive restructuring plan that included the transition of Northeastern Hospital to a multi-specialty outpatient center, which is known as Northeastern Ambulatory Care Center (NACC) In fiscal year 2010, the Health System recorded asset impairment and adjusted restructuring charges of $2,281,000 The Health System recorded a $4,384,000 impairment charge for the write-down of

long-lived assets of Northeastern Hospital to their estimated fair value based on offers to purchase the property. The remaining adjustment included reversing estimated restructuring charges of $2,103,000.

As of June 30, 2010, the remaining liability related to restructuring totaled $216,000, which was paid in 2011.

14. DISCONTINUED OPERATIONS

Temple Continuing Care Center (GPHSCIII) — On February 4, 2003, GPHSCIII ceased operations.

The liabilities of GPHSCIII were included in the consolidated balance sheet at June 30, 2010 at their estimated settlement amounts. During 2011, it was determined that such liabilities had been settled with no additional payments required. Accordingly, during 2011 the liability recorded at June 30, 2010 in the amount of $4,684,000 was reversed and reported as a gain from discontinued operations. On June 29, 2011, GPHSCIII was dissolved. GPHSCIII had no assets at June 30, 2010 or 2011.

The assets, liabilities and net deficit of GPHSC III at June 30, 2011 and June 30, 2010, are as follows (in thousands):

	2010
Current assets	$ -
Current liabilities	4,684
Total net deficit	$4,684

15. COMMITMENTS AND CONTINGENCIES

The Commonwealth of Pennsylvania owns the land on which certain TUH facilities are located. The land is leased to the University for a term ending December 31, 2043 for a nominal rent. The University subleases these facilities to TUH.

The Friends Fiduciary Corporation owns the land that JH facilities are located. The land is leased to JH for a term ending June 30, 2044 for a nominal rent.

JH has committed to making $781,000 in additional investments at June 30, 2011 into partnerships (a private equity fund and a real estate fund), which may be requested through capital calls from the partnerships. Detail regarding the unfunded commitments is disclosed in footnote 17.

TUHIC holds cash and investments in debt securities in the amount of $46,290,000 and $46,121,000 as of June 30, 2011 and 2010, respectively, which are being held in trust in order to secure the Company's liabilities under certain reinsurance contracts.

In addition, the Health System is involved in litigation and regulatory investigations arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Health System's financial position or results of operations.

16. COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF PUBLIC WELFARE GRANTS AND OTHER SUPPORT

The following grants and support relate mainly to providing access to health care services including care for the uninsured and indigent population (See Note 4 — "Charity Care") For the fiscal years ended June 30, 2011 and 2010, the Health System received grants from the Commonwealth of Pennsylvania's Department of Public Welfare in the amounts of $3,946,000 and $20,442,000, respectively Also, the Health System received Commonwealth funding for inpatient and outpatient disproportionate share and other funding, primarily from the proceeds from the tobacco settlement In fiscal years 2011 and 2010, the disproportionate share payments received by the Health System amounted to $25,733,000 and $24,900,000, respectively, funding for the Academic Health Center amounted to $12,886,000 and $13,542,000, respectively, funding for medical education amounted to $10,033,000 and $8,965,000, respectively, and other funding received amounted to $46,400,000 and $19,335,000, respectively These amounts are included in net patient service revenue in the accompanying consolidated statements of operations and changes in net assets There is no guarantee that this funding will continue in future years Under certain circumstances, the Health System could be required to repay certain of the grants received from the Commonwealth Management believes that the likelihood of such repayment is remote

17. FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, which defines fair value, provides a framework for measuring fair value, and expands disclosures required for fair value measurements

FASB ASC Topic 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability As a basis for considering market participant assumptions in fair value measurements, FASB ASC Topic 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumption about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy)

FASB ASC Topic 820 classifies the inputs used to measure fair value into the following hierarchy

Level 1 — Level 1 inputs are quoted prices in active markets for identical assets or liabilities as of the reporting date Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis

Level 2 — Level 2 inputs include the following

- Quoted prices in active markets for similar assets or liabilities
- Quoted prices in markets that are not active for identical or similar assets or liabilities
- Inputs other than quoted prices, that are observable for the asset or liability
- Inputs that are derived primarily from or corroborated by observable market data by correlation or other means

Level 3 — Level 3 inputs are unobservable inputs for the asset or liability

The following table sets forth, by level within the fair value hierarchy, the financial assets recorded at fair value on a recurring basis and its equity method alternative investments as of June 30, 2011 (in thousands)

Assets	Level 1	Level 2	Level 3	Total June 30, 2011
Assets limited as to use				
U S government securities	$ 33,335	$41,739	$ -	$ 75,074
Corporate bonds, notes, and other debt securities		4,841		4,841
Cash and money market funds	36,956			36,956
Equity securities and mutual funds	1,706			1,706
	71,997	46,580		118,577
Workers' Compensation Fund				
U S government securities	4,219	2,722		6,941
Corporate bonds, notes, and other debt securities		4,989		4,989
Cash and money market funds	466			466
	4,685	7,711		12,396
Investments				
Fixed income mutual funds	97,989			97,989
Cash and money market funds	2,907			2,907
Equity securities and mutual funds	46,838		7,931	54,769
Limited liability partnerships		7,620	12,974	20,594
	147,734	7,620	20,905	176,259
Beneficial interest in perpetual trusts				
U S government securities	642	3,636		4,278
Fixed income mutual funds	2,123			2,123
Corporate bonds, notes, and other debt securities		26		26
Cash and money market funds	557			557
Equity securities and mutual funds	14,499			14,499
	17,821	3,662		21,483
Beneficial interest in the assets held by Episcopal Foundation				
U S government securities	1,584	1,426		3,010
Fixed income mutual funds	524			524
Corporate bonds, notes, and other debt securities		1,644		1,644
Cash and money market funds	767			767
Equity securities and mutual funds	11,026			11,026
Alternative investments			2,199	2,199
	13,901	3,070	2,199	19,170
Total	$256,138	$68,643	$23,104	$347,885

The following table sets forth, by level within the fair value hierarchy, the financial assets recorded at fair value on a recurring basis and its equity method alternative investments as of June 30, 2010 (in thousands)

Assets	Level 1	Level 2	Level 3	Total June 30, 2010
Assets limited as to use				
U S government securities	$ 29,004	$ 34,957	$	$ 63,961
Corporate bonds, notes, and other debt securities		7,635		7,635
Cash and money market funds	50,473			50,473
Equity securities and mutual funds	1,372			1,372
	80,849	42,592		123,441
Workers' Compensation Fund				
U S government securities	5,686	2,834		8,520
Corporate bonds, notes, and other debt securities		4,127		4,127
Cash and money market funds	500			500
	6,186	6,961		13,147
Investments				
U S government securities	33,203	6,994		40,197
Corporate bonds, notes, and other debt securities		12,784		12,784
Cash and money market funds	5,370			5,370
Equity securities and mutual funds	37,199		7,164	44,363
Limited liability partnerships			18,658	18,658
	75,772	19,778	25,822	121,372
Beneficial interest in perpetual trusts				
U S government securities		3,931		3,931
Corporate bonds, notes, and other debt securities		232		232
Cash and money market funds	693			693
Equity securities and mutual funds	13,731			13,731
	14,424	4,163		18,587
Beneficial interest in the assets held by Episcopal Foundation				
U S government securities	1,884	1,464		3,348
Corporate bonds, notes, and other debt securities		2,479		2,479
Cash and money market funds	586			586
Equity securities and mutual funds	7,945			7,945
Alternative investments			1,952	1,952
	10,415	3,943	1,952	16,310
Total	$187,646	$77,437	$27,774	$292,857

The following table sets forth, by level within the fair value hierarchy, the long lived assets recorded at fair value on a non-recurring basis as of June 30, 2010 (in thousands)

Assets	Level 1	Level 2	Level 3
Temple East, Inc	$ -	$ 7,000	$ -

In accordance with the provisions of the Impairment or Disposal of Long-Lived Assets Subsections of ASC 360-10, the assets of Temple East, Inc (the disposal group), which had a carrying amount of $11,384,000 were written down to their fair value of $7,000,000 resulting in an impairment charge of $4,384,000 The fair value was based on offers to purchase the property In December 2010, the property was sold for approximately $7,500,000

Transfers between Levels 1 and 2 — During the year ended June 30, 2011, there were no transfers between Levels 1 and 2

Transfers into or out of Level 3 — Transfers in and/or out of Levels are reflected as of the beginning of the period when significant inputs, including market inputs or performance attributes, used for the fair value measurement become observable / unobservable, or when the Health System determines it has the ability, or no longer has the ability, to redeem in the near term certain investments that the Health System values using a NAV (or a capital account)

The following is a reconciliation of financial instruments for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2011

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)					
		Total Realized/Unrealized Gains(Losses) Included in:		Purchases Sales, Issuances	Transfer	
	July 1, 2010	Net Income	Net Asset	and Settlements	Out of Level 3	June 30, 2011
Year Ended June 30, 2011						
Assets — Investments						
Equity securities and mutual funds	$ 7,164	$ 767	$ -	$ -	$ -	$ 7,931
Limited liability partnerships	18,658	1,969		(1,188)	(6,465)	12,974
Total investments	$25,822	$2,736	$ -	$ (1,188)	$ (6,465)	$ 20,905
Beneficial interest in assets held — Alternative investments	$ 1,952	$ -	$247	$ -	$ -	$ 2,199
Total beneficial interest in assets held	$ 1,952	$ -	$247	$ -	$ -	$ 2,199

The following is a reconciliation of financial instruments for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2010

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
		Total Realized/Unrealized Gains(Losses) Included in:		Purchases, Sales, Issuances	
	July 1, 2009	Net Income	Net Assets	and Settlements	June 30, 2010
Year Ended June 30, 2010					
Assets — Investments					
Equity securities and mutual funds	$ 6,848	$ 798	$ -	$ (482)	$ 7,164
Limited liability partnerships	19,169	1,517		(2,028)	18,658
Total Investments	$ 26,017	$ 2,315	$ -	$ (2,510)	$ 25,822
Beneficial interest in assets held —					
Alternative investments	$ 1,003	$ -	$ 949	$ -	$ 1,952
Total beneficial interest in assets held	$ 1,003	$ -	$ 949	$ -	$ 1,952

U S government securities, money market funds, equity securities and mutual funds classified as Level 1 are measured using quoted market prices

Marketable debt securities classified as Level 1 were classified as such due to the usage of observable market prices for identical securities that are traded in active markets These debt securities primarily include US Treasury Bonds

The marketable debt securities classified as Level 2 were classified as such due to the usage of observable market prices for similar securities that are traded in less active markets or when observable market prices for identical securities are not available, marketable debt instruments are priced using non-binding market consensus prices that are corroborated with observable market data, quoted market prices for similar instruments, or pricing models, such as a discounted cash flow model, with all significant inputs derived from or corroborated with observable market data These debt securities primarily include government bonds, corporate bonds, notes and other debt securities

The alternative investments classified as Level 3 were classified as such due to the lack of observable market data These investments include equity funds, mutual funds and limited liability partnerships that are valued by the fund manager based on the pro-rata interest in the net assets of the underlying investments which approximates fair value and by financial information provided by the limited partnerships In accordance with ASU 2009-12, however, those investments that are measured at net asset value per share and are redeemable at the measurement date are classified as Level 2

The estimated fair values of the Health System's beneficial interests in perpetual trusts and in assets held by the Episcopal Foundation are determined based on information provided by the trustees Such fair values are measured using the fair value of the assets contributed to the trusts

Detailed information for Level 3 investments as of June 30, 2011 and 2010 follows The fair values of these investments have been estimated using a net asset value equivalent (e g ownership interest in partners' capital to which a proportionate share of net assets is attributable)

	Fair Value (In thousands)	Unfunded Commitments (In thousands)	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (if Applicable)
Year ended June 30, 2011				
Multi-Strategy Hedge Funds (a)	$ 13,703	$ -	Tri-annual	45–100 days
Distressed Debt Hedge Funds (b)	658			
Long/Short Hedge Funds (c)	3,643		Annual	95 days
Private Equity Funds (d)	1,944	155		
Stock Funds (e)	1,927			
Real Estate Funds (g)	1,229	626		
	$ 23,104	$ 781		
Year ended June 30, 2010				
Multi-Strategy Hedge Funds (a)	$ 12,266	$ -	Tri-annual	45–100 days
Distressed Debt Hedge Funds (b)	1,132		Annual	90 days
Long/Short Hedge Funds (c)	5,357		Tri-annual	10 days
Private Equity Funds (d)	1,707	1,793		
Stock Funds (e)	4,764		Monthly	*
Global/Macro Hedge Funds (f)	1,701		Monthly	*
Real Asset Funds (g)	847	931		
	$ 27,774	$ 2,724		

* Redemption is at the discretion of the Fund Manager

(a) This category includes investments in hedge funds that use a variety of strategies These may include long/short equity, event-driven, capital structure arbitrage, fixed income arbitrage, credit of distressed companies, and restructuring and underpriced companies In 2011 and 2010, investments representing approximately 49% and 58%, respectively, of the value of the investments in this category cannot be redeemed because the investments include restrictions that do not allow for redemption in the first three years The remaining restriction period for these investments ranged from three to twelve months

(b) This category includes investments in hedge funds that invest in debt obligations of distressed companies at a discount and sell the obligations following reorganization or restructuring of the companies In September 2010, Private Advisors Distressed Opportunities Fund notified the Health System that the fund has begun liquidation Investors are no longer eligible for voluntary redemptions

(c) This category includes investments in hedge funds that invest with managers or private investment funds that take short positions and long positions in equity securities and use leverage to augment the effects of stock selection Investments in this category can be redeemed annually

(d) This category includes investments in private equity partnerships whose strategy is to add 5% in value comparable public investments and that will be in the top 25% of comparable private equity managers Investments in this category cannot be redeemed until November 2020 subject to two one year extensions

(e) This category includes investments (typically through traditional, long-only stock managers) that maintain (beta) exposure to stocks and achieve (alpha) value added of at least 2% per year over a passive portfolio Investments in this category are not currently eligible for redemption

(f) This category includes investments in a broad diversity of asset classes and geographic markets They may invest in the equity, global fixed income, currency and commodity sectors

(g) This category includes investments that maintain exposure to real estate and natural resources through public and private investments whose value is strongly controlled by commodities and real estate and may act as a hedge against unanticipated inflation Investments in this category cannot be redeemed until the termination of the funds These termination dates range from January 2013 to December 2015

The fair value of the Health System's Pension assets is disclosed in Footnote 10

The following methods and assumptions were used by the Health System in estimating fair value for disclosures in the consolidated financial statements

Long-Term Debt — The fair value of long-term debt is based on quoted market prices or is estimated using discounted cash flow analyses for similar types of borrowing arrangements based on incremental borrowing rates The carrying and fair values of long-term debt, excluding capital lease obligations and the Episcopal Healthcare Foundation debt, at June 30, 2011 are $323,052,000 and $272,730,000, respectively The carrying and fair values of long-term debt, excluding capital lease obligations and the Episcopal Healthcare Foundation debt, at June 30, 2010 are $337,153,000 and $304,309,000, respectively

Other — Cash and cash equivalents, patient and other accounts receivable, and all other current assets and liabilities are reported at amounts that approximate fair value due to the relatively short period to maturity

18. FUNCTIONAL EXPENSES

The Health System provides general health care services to residents within its geographic location Expenses related to providing these services are as follows (in thousands)

	2011	2010
Health care services	$ 837,032	$ 820,067
General and administrative	156,684	168,486
	$ 993,716	$ 988,553

19. SUBSEQUENT EVENTS

The Health System has evaluated subsequent events through October 25, 2011, the date the financial statements were issued There were no subsequent events requiring recording or disclosure in the consolidated financial statements

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SUPPLEMENTAL SCHEDULES

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2011
(In thousands)

ASSETS	Temple University Hospital, Inc	Jeanes Hospital and Affiliate	Temple East, Inc	Episcopal Hospital	TUHS Parent Company (2)	TUHS Insurance Company, Ltd	TUHS Foundation	GPHSC Entities (1)	TPI/TPA	Temple Health System Transport Team, Inc	Eliminations	Temple University Health System Consolidated
CURRENT ASSETS												
Cash and cash equivalents	$ 62,404	$ 2,626	$ 272	$ 7,616	$ 52,532	$ 750	$ 12,634	$ -	$ 995	$ 412	$ -	$140,241
Patient accounts receivable — net of allowance for doubtful accounts	103,867	17,029							2,786			123,682
Other receivables — net of allowance for doubtful accounts	20,640	1,600	2,305	2,581	1,319	284	68		69	403	(193)	29,076
Inventories and other current assets	14,008	4,232			1,215	7			259	350	(170)	19,901
Current portion of assets limited as to use	2,778	163	60		22,261	2,023						27,285
Current portion of workers' compensation fund	5,026	239	270						15	170		5,720
Due from affiliates — current portion	15,098	3,328	2,632	176	11,439				1,819	99	(34,591)	-
Investments	102,535	10,963					25,488					138,986
Total current assets	326,356	40,180	5,539	10,373	88,766	3,064	38,190	-	5,943	1,434	(34,954)	484,891
PROPERTY, PLANT AND EQUIPMENT												
Land and land improvements	5,569	3,182	61	231	9							9,052
Buildings	268,895	92,031	334	12,232	22,142				1,277			396,911
Fixed and movable equipment	235,764	50,776	11	4	50,661				4,381	485		342,082
Construction-in-progress	3,152	2,387			53							5,592
	513,380	148,376	406	12,467	72,865	-	-	-	5,658	485	-	753,637
Less accumulated depreciation	331,760	115,800	230	7,908	31,747				2,635	390		490,470
Net property, plant and equipment	181,620	32,576	176	4,559	41,118	-	-	-	3,023	95	-	263,167
ASSETS LIMITED AS TO USE	30,636	2,042	5,596		27,065	44,267			5,566		(23,880)	91,292
INVESTMENTS		38,210			200							38,410
WORKERS' COMPENSATION FUND	3,470	1,756	1,141						258	51		6,676
INVESTMENT IN TUHIC					20,759						(20,759)	-
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	5,148	15,706	629									21,483
DUE FROM AFFILIATES					124,485						(124,485)	-
BENEFICIAL INTEREST IN ASSETS HELD BY EPISCOPAL FOUNDATION	19,170			19,170							(19,170)	19,170
OTHER ASSETS	23,303	533			986				79			24,901
TOTAL ASSETS	$589,703	$131,003	$13,081	$34,102	$303,379	$47,331	$ 38,190	$ -	$14,869	$1,580	$(223,248)	$949,990

(1) Consists of the accounts of TCCC
(2) TUHS Parent Company accounts for its investment in TUHIC under the equity method The remaining entities are accounted for at cost

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2011
(In thousands)

LIABILITIES AND NET ASSETS	Temple University Hospital, Inc	Jeanes Hospital and Affiliate	Temple East, Inc	Episcopal Hospital	TUHS Parent Company (2)	TUHS Insurance Company, Ltd	TUHS Foundation	GPHSC Entities (1)	TPI/TPA	Temple Health System Transport Team, Inc	Eliminations	Temple University Health System Consolidated
CURRENT LIABILITIES												
Current portion of long-term debt	$ 6.643	$ 263	$ -	$ 465	$ 1.723	$ -	$ -	$ -	$ -	$ -	$ -	$ 9.094
Accounts payable	36.039	8.313	18	564	1.485	573			134	9		47.135
Accrued expenses	27.179	7.163	371		35.334	29			3.897	167	(21.451)	52.689
Current portion of estimated settlements with third-party payors	2.694	801	560									4.055
Current portion of self-insurance program liabilities	17.506	5.351	2.124		247	8.156			1.032	170		34.586
Due to affiliates — current portion	9.279	3.805	2.952	200	12.160	473			5.385	336	(34.590)	-
Other current liabilities	11.088	1.278	1.019	177	9.774						(170)	23.166
Total current liabilities	110.428	26.974	7.044	1.406	60.723	9.231	-	-	10.448	682	(56.211)	170.725
LONG-TERM DEBT	105.314	433		4.808	213.324							323.879
ESTIMATED SETTLEMENTS WITH THIRD-PARTY PAYORS		1.230		1.718							(1.718)	1.230
SELF-INSURANCE PROGRAM LIABILITIES	73.165	16.486	4.774		330	17.341			11.309	63	(905)	122.563
ACCRUED POSTRETIREMENT BENEFITS	18.852	5.795	1.918	7.430								33.995
DUE TO AFFILIATES	84.635	39.850									(124.485)	-
OTHER LONG-TERM LIABILITIES	18.404	1.674	2.454	20.663	2.799						(19.170)	26.824
Total liabilities	410.798	92.442	16.190	36.025	277.176	26.572	-	-	21.757	745	(202.489)	679.216
NET ASSETS (DEFICIT)												
Unrestricted	148.612	22.394	(3.932)	(1.923)	26.202	20.759	38.190		(6.888)	835	(20.759)	223.490
Temporarily restricted	4.665	385	60		1							5.111
Permanently restricted	25.628	15.782	763									42.173
Total net assets (deficit)	178.905	38.561	(3.109)	(1.923)	26.203	20.759	38.190	-	(6.888)	835	(20.759)	270.774
TOTAL LIABILITIES AND NET ASSETS	$589.703	$131.003	$13.081	$34.102	$303.379	$47.331	$38.190	$ -	$14.869	$1.580	$(223.248)	$949.990

(1) Consists of the amounts of TCCC
(2) TUHS Parent Company accounts for its investment in TUHIC under the equity method The remaining entities are accounted for at cost (Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011
(In thousands)

	Temple University Hospital, Inc	Jeanes Hospital and Affiliate	Temple East, Inc	Episcopal Hospital	TUHS Parent Company (2)	TUHS Insurance Company, Ltd	TUHS Foundation	GPHSC Entities (1)	TPI/TPA	Temple Health System Transport Team, Inc	Eliminations	Temple University Health System Consolidated
UNRESTRICTED NET ASSETS												
UNRESTRICTED REVENUES AND OTHER SUPPORT												
Net patient service revenue	$785.030	$147.621	$ 2.334	$ 1.486	$ -	$ -	$ -	$ -	$ 30.612	$ -	$ -	$967.083
Other revenue	16.222	5.017	786	3.055	68.808	9.702			3.941	2.946	(85.733)	24.744
Investment income	164				375							539
Net assets released from restrictions used for operations	1.412	65			346							1.823
Unrestricted revenues and other support	802.828	152.703	3.120	4.541	69.529	9.702	-	-	34.553	2.946	(85.733)	994.189
EXPENSES												
Salaries	282.663	59.831	819	710	17.040				26.426	2.539		390.028
Employee benefits	86.018	15.214	1.994	813	5.593				5.552	743		115.927
Professional fees	60.118	9.969	110	68	6.269				1.053	(2)	(3.481)	74.104
Supplies and pharmaceuticals	121.286	26.971	101	162	1.626				1.832	109		152.087
Purchased services and other	119.570	21.386	145	306	7.778	105			3.825	544	(58.225)	95.434
Maintenance	11.185	1.174	191	262	495				120	31		13.458
Utilities	12.189	1.545	431	538	1.321				905	47		16.976
Leases	11.218	1.232	2		4.183				2.461	962	(6.713)	13.345
Insurance	37.591	15.799	(2.063)	(24)	7	13.197			(1.843)	48	(13.197)	49.515
Depreciation and amortization	21.563	6.967	272	825	6.896				681	71		37.275
Interest	11.882	2.437	313	234	12.700						(7.715)	19.851
Provision for bad debts	11.690	3.123							919	236		15.968
Loss (gain) on disposal of fixed assets		(124)	(131)		3							(252)
Expenses	786.973	165.524	2.184	3.894	63.911	13.302	-	-	41.931	5.328	(89.331)	993.716
OPERATING GAIN (LOSS)	15.855	(12.821)	936	647	5.618	(3.600)	-	-	(7.378)	(2.382)	3.598	473
OTHER INCOME — Net												
Investment income	4.007	5.946	561	1	286	2.280	518		533	8	(2.278)	11.862
Other income		(6.000)			6.072							72
Other income — net	4.007	(54)	561	1	6.358	2.280	518	-	533	8	(2.278)	11.934
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SUPPORT OVER EXPENSES FROM CONTINUING OPERATIONS	19.862	(12.875)	1.497	648	11.976	(1.320)	518	-	(6.845)	(2.374)	1.320	12.407

(1) Consists of the accounts of TCCC
(2) TUHS Parent Company accounts for its investment in TUHIC under the equity method The remaining entities are accounted for at cost

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION FOR THE YEAR ENDED JUNE 30, 2011

(In thousands)

	Temple University Hospital, Inc	Jeanes Hospital and Affiliate	Temple East, Inc	Episcopal Hospital	TUHS Parent Company (2)	TUHS Insurance Company, Ltd	TUHS Foundation	GPHSC Entities (1)	TPI/TPA	Health System Transport Team, Inc	Eliminations	University Health System Consolidated
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SUPPORT OVER EXPENSES FROM CONTINUING OPERATIONS	$ 19.862	$ (12.875)	$ 1.497	$ 648	$11.976	$ (1.320)	$ 518	$ -	$ (6.845)	$(2.374)	$ 1.320	$ 12.407
NET GAIN FROM DISCONTINUED OPERATIONS								4.684				4.684
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SUPPORT OVER EXPENSES	19.862	(12.875)	1.497	648	11.976	(1.320)	518	4.684	(6.845)	(2.374)	1.320	17.091
OTHER CHANGES IN UNRESTRICTED NET ASSETS												
Transfers (to) from affiliates the University	(29.480)	(6.159)	11.370		1.434		(6.271)		12.100	2.417		(14.589)
Net assets released from restrictions used for purchase of property and equipment	1.384	50	635									2.069
Net change in fair value of investments	6.704	2.286	(4)		(867)	(856)	(270)		(1)		856	7.848
Adjustment to funded status of pension and postretirement liabilities	18.015	4.455	2.055	4.014								28.539
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	16.485	(12.243)	15.553	4.662	12.543	(2.176)	(6.023)	4.684	5.254	43	2.176	40.958
TEMPORARILY RESTRICTED NET ASSETS												
Contribution income	2.114	228										2.342
Net assets released from restrictions	(2.658)	(115)	(635)		(578)							(3.986)
Net unrealized gains on investments	282				2							284
Investment income	29											29
(Decrease) increase in temporarily restricted net assets	(233)	113	(635)	-	(576)	-	-	-	-	-	-	(1.331)
PERMANENTLY RESTRICTED NET ASSETS												
Change in beneficial interest in assets held by Episcopal Foundation	2.861											2.861
Change in beneficial interest in perpetual trusts	727	2.081	87									2.895
Increase in permanently restricted net assets	3.588	2.081	87	-	-	-	-	-	-	-	-	5.756
INCREASE (DECREASE) IN NET ASSETS	19.840	(10.049)	15.005	4.662	11.967	(2.176)	(6.023)	4.684	5.254	43	2.176	45.383
NET ASSETS (DEFICIT) — Beginning of year	159.065	48.610	(18.114)	(6.585)	14.236	22.935	44.213	(4.684)	(12.142)	792	(22.935)	225.391
NET ASSETS (DEFICIT) — End of year	$178.905	$ 38.561	$ (3.109)	$(1.923)	$26.203	$20.759	$38.190	$ -	$ (6.888)	$ 835	$(20.759)	$270.774

(1) Consists of the accounts of TCCC

(2) TUHS Parent Company accounts for its investment in TUHIC under the equity method The remaining entities are accounted for at cost

(Concluded)