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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
EVANGELICAL COMMUNITY HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
ONE HOSPITAL DRIVE

City or town, state or country, and ZIP + 4
LEWISBURG, PA 17837

D Employer identification number
24-0795411

E Telephone number
(570) 522-2741

G Gross receipts $ 156,786,174

F Name and address of principal officer
MICHAEL O'KEEFE
ONE HOSPITAL DRIVE
LEWISBURG, PA 17837

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 EVANHOSPITAL COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1926 | **M** State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE HEALTH CARE SERVICES TO THE PUBLIC AND TO BE THE COMMUNITY'S HEALTH CARE PROVIDER OF CHOICE

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**	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	18
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	1,371
6	Total number of volunteers (estimate if necessary)	**6**	614
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	4,043,887
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	813,791

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	2,786,638	3,490,178
9	Program service revenue (Part VIII, line 2g)	114,538,362	122,053,729
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,591,073	3,770,727
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,000,785	3,348,102
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	122,916,858	132,662,736
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	22,000	56,950
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)	56,875,722	58,431,004
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶568,162		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	52,750,551	57,488,181
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	109,648,273	115,976,135
19	Revenue less expenses Subtract line 18 from line 12	13,268,585	16,686,601

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	177,099,609	219,250,555
21	Total liabilities (Part X, line 26)	58,486,321	81,402,247
22	Net assets or fund balances Subtract line 21 from line 20	118,613,288	137,848,308

Part II Signature Block

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

Sign Here

****** | 2012-04-18
Signature of officer | Date

JAMES STOPPER CPA CFO CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
JULIUS GREEN	JULIUS GREEN			
Firm's name ▶ PARENTEBEARD LLC				Firm's EIN ▶
Firm's address ▶ 400 MARKET STREET WILLIAMSPORT, PA 17701				Phone no ▶ (570) 323-6023

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

EVANGELICAL COMMUNITY HOSPITAL, A NON-PROFIT HEALTH CARE PROVIDER, SERVES UNION, SNYDER AND NORTHUMBERLAND COUNTIES AS WELL AS SURROUNDING COMMUNITIES THE HOSPITAL PROVIDES A BROAD RANGE OF HEALTH CARE SERVICES THAT ARE CONSISTENTLY HIGH QUALITY, COMPASSIONATE, ACCESSIBLE AND COST-EFFECTIVE IN PARTNERSHIP WITH A STRONG AND DIVERSE MEDICAL STAFF, THE HOSPITAL PROMOTES A HEALTHY LIFESTYLE AND PROVIDES ADVANCED MEDICAL CARE IN AN ATMOSPHERE THAT IS CARING AND COMPASSIONATE THIS IS ACCOMPLISHED BY MAINTAINING A CHALLENGING, ENERGIZED WORK ENVIRONMENT FOR OUR VALUED EMPLOYEES WHO EXEMPLIFY OUR CORE VALUES QUALITY SERVICE, COMPASSION, RESPECT, PROFESSIONALISM, INTEGRITY, COOPERATION AND CREATIVITY

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 $ 97,043,232 including grants of $ 56,950) (Revenue $ 119,680,890)

MEETING THE HEALTHCARE NEEDS OF THE COMMUNITY IS AT THE HEART OF EVANGELICAL COMMUNITY HOSPITAL'S MISSION AS A NOT-FOR-PROFIT CHARITABLE ORGANIZATION THE HOSPITAL'S RESOURCES PROVIDE FOR LONG-TERM INITIATIVES SUCH AS RECRUITMENT AND RETENTION OF OUTSTANDING MEDICAL PROFESSIONALS, ENHANCED TECHNOLOGIES AND NEW FACILITIES AND SERVICES THE HOSPITAL IS LICENSED TO ACCOMMODATE 127 OVERNIGHT PATIENTS, 12 ACUTE REHABILITATION UNIT PATIENTS AND 18 NEWBORN BABIES IT IS A NOT-FOR-PROFIT COMMUNITY HOSPITAL OFFERING A FULL CONTINUUM OF CARE SERVICES RANGE FROM COMPREHENSIVE DIAGNOSTIC TESTS TO DELICATE MICROSURGERY AND FROM SPECIFIC TREATMENT PROGRAMS TO NUMEROUS OUTPATIENT SERVICES IN ADDITION TO PROVIDING HOSPITAL-BASED MEDICAL SERVICES, EVANGELICAL PROVIDES A NUMBER OF COMMUNITY-BASED SERVICES DESIGNED TO IMPROVE THE HEALTH OF AREA RESIDENTS MANY OF THE EMPLOYEES AND MEDICAL STAFF LEAD HEALTH EDUCATION AND SCREENINGS AS WELL AS SUPPORT GROUPS FOR INDIVIDUALS IN THE COMMUNITY LIVING WITH SERIOUS OR CHRONIC HEALTH CONDITIONS WHETHER THROUGH CHARITABLE CARE, SUBSIDIZED HOSPITAL PROGRAMS AND SERVICES, OR COMMUNITY HEALTH EDUCATION, EVANGELICAL STRIVES TO RESPOND TO THE VALLEY'S MOST PRESSING HEALTH NEEDS

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

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

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

4e **Total program service expenses** ▶ $ 97,043,232

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
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**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
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**	63		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c** Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,371		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b** Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a** Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b** Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			**4a**	No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a** Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b** Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			**9a**	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			**13a**	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**	

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	20		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	18		
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	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Does the organization have members or stockholders?		6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

EVANGELICAL COMMUNITY HOSPITAL
ONE HOSPITAL DRIVE
LEWISBURG, PA 17837
(570) 522-2000

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)**								2,840,759	0	795,413

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 ▶ 25

			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**	Yes	
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
THE QUANDEL GROUP INC 3033 NORTH FRONT ST SUITE 201 HARRISBURG, PA 17110	CONSTRUCTION	7,191,859
AFS ENERGY SYSTEMS 420 OAK STREET PO BOX 170 LEMOYNE, PA 17043	CONSTRUCTION	926,250
BURT HILL STANTEC ARCHITECTURE INC 13980 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	ARCHITECT	826,947
THE ADVISORY BOARD COMPANY PO BOX 79461 BALTIMORE, MD 21279	MANAGEMENT SERVICES	582,500
DIVERSIFIED CLINICAL SERVICES PO BOX 636981 CINCINNATI, OH 45263	MANAGEMENT SERVICES	546,665

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 ▶ 89

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	6,500				
	b Membership dues 1b					
	c Fundraising events 1c	107,260				
	d Related organizations . . . 1d					
	e Government grants (contributions) 1e	227,400				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	3,149,018				
	g Noncash contributions included in lines 1a-1f $	67,389				
	h **Total.** Add lines 1a-1f . . . . . ▶		3,490,178			
Program Service Revenue		Business Code				
	2a NET PATIENT SERVICE RE	621400	119,044,169	119,044,169		
	b LABORATORY SERVICES	621500	3,009,560		3,009,560	
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		122,053,729			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		2,273,775			2,273,775
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real / (ii) Personal				
	6a Gross Rents	1,868,671				
	b Less rental expenses	2,173,697				
	c Rental income or (loss)	-305,026				
	d Net rental income or (loss) . . . . . ▶		-305,026			-305,026
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	23,280,189 / 108,926				
	b Less cost or other basis and sales expenses	21,696,886 / 195,277				
	c Gain or (loss)	1,583,303 / -86,351				
	d Net gain or (loss) . . . . . ▶		1,496,952			1,496,952
Other Revenue	8a Gross income from fundraising events (not including $ 107,260 of contributions reported on line 1c) See Part IV, line 18 . . . a	73,610				
	b Less direct expenses . . . b	54,225				
	c Net income or (loss) from fundraising events . . ▶		19,385			19,385
	9a Gross income from gaming activities See Part IV, line 19 . a	1,278				
	b Less direct expenses . . . . . b	3,353				
	c Net income or (loss) from gaming activities . . ▶		-2,075			-2,075
	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 BILLING AND CODING FEE	541900	562,327		562,327	
	b CAFETERIA AND VENDING	722210	558,151			558,151
	c ADMINISTRATIVE FEE INC	541900	472,000		472,000	
	d All other revenue		2,043,340	636,721		1,406,619
	e **Total.** Add lines 11a–11d . . . . . ▶		3,635,818			
	12 **Total revenue.** See Instructions . . . ▶		132,662,736	119,680,890	4,043,887	5,447,781

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22	56,950	56,950		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,466,967	690,751	1,776,216	
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	43,869,834	37,160,758	6,486,412	222,664
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,385,300	1,140,872	237,688	6,740
9 Other employee benefits	7,518,571	6,501,412	977,811	39,348
10 Payroll taxes	3,190,332	2,627,418	547,393	15,521
a Fees for services (non-employees) Management				
b Legal	266,901		263,113	3,788
c Accounting	133,178	43,190	89,988	
d Lobbying				
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees	307,753	7,650	300,103	
g Other	8,609,567	6,221,517	2,261,862	126,188
12 Advertising and promotion	493,473	28,629	444,583	20,261
13 Office expenses	26,998,484	24,241,217	2,717,583	39,684
14 Information technology	1,133,292	171,642	961,650	
15 Royalties				
16 Occupancy	1,758,328	1,758,328		
17 Travel	116,321	102,108	10,290	3,923
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	175,673	118,262	49,385	8,026
20 Interest	1,527,439	1,527,439		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,220,758	6,220,758		
23 Insurance	192,467	192,467		
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 FEDERAL TAXES	280,000		280,000	
b BAD DEBT	6,222,471	6,222,471		
c MA MODERNIZATION PAYMEN	1,192,647	1,192,647		
d BILLING AND COLLECTION	369,000	10,621	358,379	
e LOSS ON REFINANCING	286,495		286,495	
f All other expenses	1,203,934	806,125	315,790	82,019
25 **Total functional expenses.** Add lines 1 through 24f	115,976,135	97,043,232	18,364,741	568,162
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		1,465	1	1,545
	2	Savings and temporary cash investments		22,663,582	2	21,459,829
	3	Pledges and grants receivable, net		1,026,948	3	1,285,223
	4	Accounts receivable, net		9,961,572	4	10,755,446
	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		1,744,377	7	1,654,714
	8	Inventories for sale or use		2,540,533	8	2,792,321
	9	Prepaid expenses and deferred charges		1,456,765	9	2,136,929
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 164,540,945			
	b	Less accumulated depreciation	10b 78,509,436	73,726,892	10c	86,031,509
	11	Investments—publicly traded securities		57,366,549	11	83,071,772
	12	Investments—other securities See Part IV, line 11		1,939,694	12	2,479,998
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		4,671,232	15	7,581,269
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		177,099,609	16	219,250,555
Liabilities	17	Accounts payable and accrued expenses		12,872,502	17	16,092,996
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		33,945,000	20	51,755,000
	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		11,668,819	25	13,554,251
	26	**Total liabilities.** Add lines 17 through 25		58,486,321	26	81,402,247
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		113,040,176	27	130,964,510
	28	Temporarily restricted net assets		1,401,450	28	1,696,335
	29	Permanently restricted net assets		4,171,662	29	5,187,463
		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		118,613,288	33	137,848,308
	34	Total liabilities and net assets/fund balances		177,099,609	34	219,250,555

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	132,662,736
2	Total expenses (must equal Part IX, column (A), line 25)	2	115,976,135
3	Revenue less expenses Subtract line 2 from line 1	3	16,686,601
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	118,613,288
5	Other changes in net assets or fund balances (explain in Schedule O)	5	2,548,419
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	137,848,308

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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

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

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

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

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

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

_____

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

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

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

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

9 ☐ An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
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).

Facts And Circumstances Test

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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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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	2,853,652	2,701,406	2,623,000		
b Contributions	380,340	123,011	229,877		
c Investment earnings or losses	207,310	102,387	-101,037		
d Grants or scholarships	16,598	2,000	11,900		
e Other expenditures for facilities and programs	67,522	66,203	34,346		
f Administrative expenses	5,505	4,949	4,188		
g End of year balance	3,351,677	2,853,652	2,701,406		

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

- a Board designated or quasi-endowment ▶ 57 300 %
- b Permanent endowment ▶ 42 700 %
- c Term endowment ▶ 0 %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,402,982		3,402,982
b Buildings		70,203,750	25,688,734	44,515,016
c Leasehold improvements		4,277,948	2,310,734	1,967,214
d Equipment		68,607,931	50,509,968	18,097,963
e Other		18,048,334		18,048,334
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				86,031,509

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

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
BLUE CROSS CURRENT FINANCING ADVANCE	1,057,200
ACCRUED POSTRETIREMENT BENEFIT COSTS	5,394,555
ESTIMATED MEDICAL MALPRACTICE CLAIMS LIABILITY	586,949
CHARITABLE GIFT ANNUITIES PAYABLE	713,587
DEFERRED COMPENSATION	1,892,625
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	1,247,201
CAPITAL LEASE OBLIGATION	1,332,847
ENVIRONMENTAL REMEDIATION LIABILITY	1,329,287
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	13,554,251

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	132,662,736
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	115,976,135
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	16,686,601
4	Net unrealized gains (losses) on investments	4	4,066,555
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-1,518,136
9	Total adjustments (net) Add lines 4 - 8	9	2,548,419
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	19,235,020

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	138,757,225
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	4,066,555		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	518,215		
e	Add lines **2a** through **2d**			2e	4,584,770
3	Subtract line **2e** from line **1**			3	134,172,455
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	300,103		
b	Other (Describe in Part XIV)	4b	-1,809,822		
c	Add lines **4a** and **4b**			4c	-1,509,719
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	132,662,736

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

1	Total expenses and losses per audited financial statements			1	119,522,205
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	3,846,173		
e	Add lines **2a** through **2d**			2e	3,846,173
3	Subtract line **2e** from line **1**			3	115,676,032
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	300,103		
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	300,103
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	115,976,135

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	ENDOWMENT FUNDS WILL BE USED TO SUPPORT VARIOUS HOSPITAL PROGRAMS SUCH AS FUNDING HELPLINE SERVICES, COMMUNITY HEALTH EDUCATION, HOSPICE SERVICES, PRE-HOSPITAL SERVICES, FAMILY PLACE (OB SERVICES), PROVIDE NURSING SCHOLARSHIPS AND TO PROVIDE FOOD, SERVICE, OR CARE FOR PEOPLE WHO DO NOT HAVE THE MEANS TO PAY FOR THE SERVICE
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE CORPORATION ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES USING A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY MEASUREMENT OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET MANAGEMENT HAS DETERMINED THAT THERE WERE NO TAX UNCERTAINTIES THAT MET THE RECOGNITION THRESHOLD IN 2011 OR 2010
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENT 29,255 VALUATION GAIN 593,717 POSTRETIREMENT BENEFIT LIABILITY ADJUSTMENT -191,108 EQUITY TRANSFER TO AFFILIATE -1,950,000
PART XII, LINE 2D - OTHER ADJUSTMENTS		CHANGES IN VALUE OF SPLIT INTEREST AGREEMENT 29,255 VALUATION GAIN 593,717 POSTRETIREMENT BENEFIT LIABILITY ADJUSTMENT -191,108 LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT 86,351
PART XII, LINE 4B - OTHER ADJUSTMENTS		RENTAL EXPENSES -2,173,697 SPECIAL EVENTS EXPENSE -57,578 REFUND OF INCOME TAX NETTED AGAINST EXPENSE ON FINANCIAL STATEMENTS 421,453
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 2,173,697 SPECIAL EVENTS EXPENSE 57,578 EQUITY TRANSFER TO AFFILIATE 1,950,000 LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT 86,351 REFUND OF INCOME TAX NETTED AGAINST EXPENSE ON FINANCIAL STATEMENTS -421,453

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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

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

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

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

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

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . . ▶						

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

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

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 EVAN GALA (event type)	(c) Other Events 1 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	66,240	107,365	7,265	180,870
	2 Less Charitable contributions	38,086	61,909	7,265	107,260
	3 Gross income (line 1 minus line 2)	28,154	45,456		73,610
Direct Expenses	4 Cash prizes	395			395
	5 Non-cash prizes	10,636	43,194		53,830
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				54,225
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				19,385

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶

Address ▶

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

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

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ $

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

Identifier	ReturnReference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	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)		1,478	217,566	0	217,566	0 200 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		20,303	9,211,729	5,359,258	3,852,471	3 510 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)		793	92,975		92,975	0 080 %
d **Total** Financial Assistance and Means-Tested Government Programs		22,574	9,522,270	5,359,258	4,163,012	3 790 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	35	5,042	150,368	601	149,767	0 140 %
f Health professions education (from Worksheet 5)	13	285	360,235		360,235	0 330 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	1		1,250		1,250	0 %
j **Total** Other Benefits	49	5,327	511,853	601	511,252	0 470 %
k **Total.** Add lines 7d and 7j	49	27,901	10,034,123	5,359,859	4,674,264	4 260 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	4	150	3,333		3,333	0 %
4	Environmental improvements	1		1,772		1,772	0 %
5	Leadership development and training for community members						
6	Coalition building	12	190	18,569		18,569	0 020 %
7	Community health improvement advocacy						
8	Workforce development	18	128	839,271	149,415	689,856	0 630 %
9	Other						
10	**Total**	35	468	862,945	149,415	713,530	0 650 %

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	3,107,480		
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	217,566		
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	27,324,581
6	Enter Medicare allowable costs of care relating to payments on line 5	6	35,912,698
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-8,588,117
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities

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

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	EVANGELICAL COMMUNITY HOSPITAL ONE HOSPITAL DRIVE LEWISBURG, PA 17837	X	X					X		INPATIENT REHABILITATION, HOSPICE

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, L7 COL(F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $6,222,471 NET UNREIMBURSED MEDICAID EXPENSE DECREASED FROM $5,327,387 IN FY 2010 TO $3,852,471 IN FY 2011 MAINLY AS A RESULT OF PAYMENTS RECEIVED FROM THE COMMONWEALTH OF PA UNDER THE MEDICAL ASSISTANCE PAYMENT MODERNIZATION ACT 49 OF 2010 THIS ACT MODERNIZES PENNSYLVANIA'S INPATIENT FEE-FOR-SERVICE HOSPITAL PAYMENT SYSTEM, ESTABLISHES ENHANCED HOSPITAL PAYMENTS THROUGH THE STATE'S MEDICAL ASSISTANCE MANAGED CARE PROGRAM, AND SECURES ADDITIONAL MATCHING MEDICAID FUNDS THROUGH THE ESTABLISHMENT OF THE QUALITY CARE ASSESSMENT, A FEE PAID BY HOSPITALS THAT ALLOWS THE STATE TO ACCESS ADDITIONAL FEDERAL DOLLARS ACT 49 COVERS FYS 2011-2013 ONLY AT THIS TIME, THERE ARE NO PROVISIONS FOR THESE PAYMENTS TO CONTINUE PAST FY 2013 AND FY 2013 PAYMENTS CAN BE SUBSTANTIALLY REDUCED FROM CURRENT LEVELS TOTAL COMMUNITY BENEFITS AS A PERCENTAGE OF TOTAL EXPENSES AMOUNTED TO 6 45% IN FY 2010 AND 4 91% IN FY 2011 HAD THE HOSPITAL NOT RECEIVED THESE PAYMENTS, FY 2011 WOULD HAVE REFLECTED A COMMUNITY BENEFITS PERCENTAGE OF 5 55%

Identifier	ReturnReference	Explanation
		PART II AS A COMMUNITY AND HEALTH RESOURCE FOR MORE THAN 85 YEARS, EVANGELICAL COMMUNITY HOSPITAL HAS CONTINUALLY DEMONSTRATED ITS COMMITMENT TO THE CENTRAL SUSQUEHANNA VALLEY BY TAKING CARE OF PATIENTS NEEDING TREATMENT IN THE HOSPITAL, AND BY ITS OUTREACH TO THE COMM UNITY BEYOND THE DAILY CARE OF PATIENTS, THE HOSPITAL EXTENDS ITS REACH TO PROVIDE PREVEN TION AND WELLNESS EDUCATION TO RESIDENTS OF THE VALLEY OUTREACH INCLUDES CHARITY CARE FOR THOSE WHO CANNOT AFFORD CARE, HEALTH EDUCATION, HEALTH SCREENINGS, HEALTH FAIRS, SAFETY I NSPECTIONS, RECYCLING EVENTS, AND LECTURES ON HEALTH CONCERNS AND TOPICS MANY OF THESE PR OGRAMS ARE PROVIDED AT MINIMAL OR NO COST, AND ARE SUBSIDIZED USING HOSPITAL RESOURCES COM MUNITY BENEFIT A COMMUNITY BENEFIT COMMITTEE WAS FORMED IN 2010 TO DEVELOP NEW WAYS OF ID ENTIFYING AND ADDRESSING HEALTH NEEDS IN OUR REGION THE COMMITTEE HAS DEVELOPED A PROCESS FOR THE DOCUMENTING AND TRACKING OF COMMUNITY BENEFIT DELIVERED BY EACH OF THE 1,200 EMPL OYEES WORKING AT THE HOSPITAL EXTENDING THE HOSPITAL'S OUTREACH TO THOSE WHO CANNOT AFFOR D CARE, OR WHO HAVE DIFFICULTY ACCESSING CARE, IS A KEY OBJECTIVE OF THIS COMMITTEE THE C OMMITTEE CONSISTS OF MEMBERS FROM THE HOSPITAL'S BOARD OF DIRECTORS, EXECUTIVE TEAM, MANAG EMENT STAFF, AS WELL AS FRONT LINE CLINICAL AND ADMINISTRATIVE EMPLOYEES THE COMMUNITY BE NEFIT COMMITTEE WORKS COOPERATIVELY WITH DEPARTMENTS OF THE HOSPITAL AND OTHER ORGANIZATIO NS IN THE COMMUNITY TO ADDRESS UNMET NEEDS THIS YEAR THE HOSPITAL'S COMMUNITY BENEFIT COM MITTEE WORKED WITH UNION-SNYDER COMMUNITY ACTION CENTER ON A REGIONAL 2011 IMPLEMENTATION INITIATIVE THE COMMUNITY BENEFIT COMMITTEE HAS A STRATEGIC PLAN TO ADDRESS THE NEEDS AS I DENTIFIED IN THE ASSESSMENT AND PRIORITIZED ITS PROGRAMS TO ADDRESS UNMET NEEDS HOSPITAL EXECUTIVES, ITS BOARD OF DIRECTORS, AND ITS MANAGERS HAVE BEEN PROVIDED EDUCATIONAL PRESEN TATIONS ON THE RESULTS OF THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT AND THE WAYS IN WHICH THE HOSPITAL IS WORKING TO MEET THESE NEEDS PROGRAMS AND SERVICES THAT HAVE BEEN DEVELOPE D TO ADDRESS COMMUNITY NEEDS INCLUDE HEALTH EDUCATION AND IMMUNIZATIONS IN LOCAL INDUSTRI ES, BUSINESSES AND SCHOOLS, COMMUNITY RECYCLING EVENT, INTERNSHIP PROGRAMS FOR HIGH SCHOOL AND COLLEGE STUDENTS, FREE OR REDUCED CARE FOR PATIENTS WHO CANNOT AFFORD CARE, PHONE CAL LS TO LOCAL WOMEN ENCOURAGING THEM TO GET A MAMMOGRAM, HEALTH SCREENINGS FOR MEN AND WOMEN , HEALTH FAIRS TO EDUCATE THE COMMUNITY ON AVAILABLE RESOURCES AND HOW TO ACCESS CARE, BRE AST CANCER AND CARDIAC AND HEART DISEASE AWARENESS AND EDUCATION IN 2011, OUR CHILD SAFETY SEAT PROGRAM REPLACED 61 FAULTY SEATS AT NO COST TO OUR PATIENTS, OUR MEN'S AND WOMEN'S H EALTH SCREENINGS SERVED MORE THAN 144 MEN AND WOMEN WHO COMPLETED A YEARLY PHYSICAL EXAM F OR MINIMAL FEE (CHARITY CARE WAS PROVIDE FOR THOSE WHO COULD NOT AFFORD THE FEE), 113 BIKE HELMETS WERE DISTRIBUTED TO CHILDREN AND YOUTH IN THE COMMUNITY AT NO CHARGE, HOSPITAL PE RSONNEL PROVIDED MORE THAN 25 NO-COST HEALTH-FOCUSED LECTURES TO RESIDENTS OF THE COMMUNIT Y THE SEVENTH ANNUAL TELL-A-FRIEND MAMMATHON, A JOINT EFFORT BETWEEN EVANGELICAL COMMUNIT Y HOSPITAL'S THYRA M HUMPHREYS CENTER FOR BREAST HEALTH AND THE AMERICAN CANCER SOCIETY, PLACED 5,366 CALLS AND SPOKE TO 1,511 WOMEN AND LEFT 1,564 MESSAGES ABOUT THE IMPORTANCE O F EARLY DETECTION DURING THE EVENT, 153 WOMEN MADE APPOINTMENTS AT THE CENTER FOR BREAST HEALTH FOR THEIR ANNUAL MAMMOGRAM, AND 956 MADE A COMMITMENT TO SCHEDULE THEIR EXAMS AT TH E CENTER OF ANOTHER FACILITY OF THEIR CHOICE CANCER AWARENESS AND EDUCATION IS EXTREMELY I MPORTANT THE FOLLOWING PROGRAMS WERE OFFERED IN 2010, THE CORRESPONDING NUMBER BESIDE THE PROGRAM DOCUMENTS THE NUMBER OF PEOPLE SERVED - LOOK GOOD, FEEL BETTER (1-3 WOMEN MONTHLY)- CANCER SUPPORT GROUP (TWO MONTHLY GROUPS WITH 5-6 PARTICIPANTS EACH)- HOSPITAL'S EMPLOY EE HEALTH FAIR (275 EMPLOYEES AND FAMILY MEMBERS RECEIVED EDUCATION ON BREAST CANCER AWARE NESS, SMOKING CESSATION, EARLY DETECTION AND PREVENTATIVE HEALTH ACTIVITIES - BREAST CANCE R SURVIVOR LECTURE (54 PARTICIPANTS)- I CAN COPE SURVIVOR PROGRAM (10 PARTICIPANTS)- COPIN G WITH THE HOLIDAYS PROGRAM (12 PARTICIPANTS)- BREAST CANCER EDUCATION WITH AMERICAN CANCE R SOCIETY (40 PARTICIPANTS)- SURVIVORSHIP LECTURE (98 PARTICIPANTS)- LIFE AFTER LOSS BEREA VEMENT SUPPORT GROUP (8 PARTICIPANTS)OTHER HEALTH EDUCATION AND PREVENTION ACTIVITIES INCL UDE - MONTHLY SUPPORT GROUPS (629 PARTICIPANTS)- HEALTH SCREENINGS FOR THE UN- AND UNDERIN SURED (0 PARTICIPANTS IN 2011)- TALK WITH THE DOC LECTURE SERIES (304 PARTICIPANTS)- NAVIG ATING MEDICARE OPTIONS (116 PARTICIPANTS)- BROWN BAG SEMINARS (150 PARTICIPANTS)PROPER HAN D WASHING IS ESSENTIAL FOR PEOPLE OF ALL AGES TO LIMIT AND PROHIBIT THE SPREAD OF DISEASE AND GERMS EVANGELICAL COMMUNITY HOSPITAL'S "GERM CITY" PROGRAM USES AN ENTERTAINING TECHN IQUE TO STRESS THE IMPORTANCE OF FREQUENT, EFFECTIVE HAND WASHING AND SEE IMMEDIATE RESULT S IN 2011, MORE THAN 2,510 STUDENTS IN THE LOCAL

Identifier	ReturnReference	Explanation
		SCHOOLS PARTICIPATED IN THE GERM CITY PROGRAM AND WERE EDUCATED ON PROPER HAND WASHING TEC HNIQUES THE HOSPITAL'S "SPEAKER'S BUREAU" OFFERS PRESENTATIONS AND LECTURES TO HELP EDUCAT E THE REGION ON THE MOST PRESSING HEALTH CARE NEEDS AND THE WAYS IN WHICH THE HOSPITAL IS MEETING THOSE NEEDS IN 2011, MORE THAN 3 PRESENTATIONS WERE PROVIDED IN THE COMMUNITY BY HOSPITAL EMPLOYEES AT NO COST TO THE PARTICIPANTS OR ORGANIZING GROUP

Identifier	ReturnReference	Explanation
		PART III, LINE 4 ACCOUNTS RECEIVABLE ARE REPORTED AT NET REALIZABLE VALUE ACCOUNTS ARE WRITTEN OFF WHEN THEY ARE DETERMINED TO BE UNCOLLECTIBLE BASED UPON MANAGEMENT'S ASSESSMENT OF INDIVIDUAL ACCOUNTS THE ALLOWANCE FOR DOUBTFUL COLLECTIONS ARE ESTIMATED BASED UPON A PERIODIC REVIEW OF THE ACCOUNTS RECEIVABLE AGING, PAYOR CLASSIFICATIONS AND APPLICATION OF HISTORICAL WRITE-OFF PERCENTAGES THE COSTING METHODOLOGY USED IN DETERMINING BAD DEBTS EXPENSE AT COST AND ESTIMATED AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE ATTRIBUTED TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS BAD DEBT EXPENSE TIMES THE COST TO CHARGE RATIO IN DETERMINING BAD DEBT EXPENSE, PATIENT LIABILITIES ARE NET OF THIRD-PARTY PAYMENTS AND ANY PATIENT PAYMENTS THE METHOD THE ORGANIZATION USES TO DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTED TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY, BUT DID NOT ADEQUATELY COMPLETE THE CHARITY CARE PAPERWORK WE BELIEVE THAT A PORTION OF OUR BAD DEBTS RESULTS FROM SERVICES PROVIDED TO PATIENTS WHO MEET THE CHARITY CARE GUIDELINES BUT WERE UNABLE OR UNWILLING TO PROVIDE THE APPROPRIATE DOCUMENTATIONS TO ALLOW THAT CLASSIFICATION THESE WOULD BE CLASSIFIED AS BAD DEBT EXPENSE TIMES THE COST TO CHARGE RATIO TO ARRIVE AT COST THE ORGANIZATION ACCOUNTS FOR DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS AS A REDUCTION OF REVENUE/ACCOUNTS RECEIVABLE AND ARE NOT COMPONENTS OF BAD DEBT EXPENSE EVANGELICAL COMMUNITY HOSPITAL PROVIDES CARE TO ALL PATIENTS WHO NEED IT, REGARDLESS OF THEIR ABILITY TO PAY THIS IS PART OF THE HOSPITAL'S MISSION

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE HOSPITAL CONTINUES TO PROVIDE CARE TO ALL PRESENTING AND ADMITTED PATIENTS, REGARDLESS OF ABILITY OR PAY NOTWITHSTANDING THE COSTS TO PROVIDE CARE, RECEIVING "LESS" THAN WHAT IT COSTS TO PROVIDE ADEQUATE CARE TO MEDICARE COVERED LIVES DOES THE HOSPITAL A DISSERVICE THIS SHORTFALL SHOULD COUNT AS A COMMUNITY BENEFIT THE HOSPITAL USES THE COST-TO-CHARGE RATIO TO DETERMINE THE MEDICARE ALLOWABLE COSTS

Identifier	ReturnReference	Explanation
		PART III, LINE 9B IN ACCORDANCE WITH THE COLLECTION POLICY, BAD DEBT ACCOUNTS WILL BE ELIGIBLE FOR A CHARITY CARE DISCOUNT IF THE PATIENT MEETS CHARITY CARE POLICY GUIDELINES THE PATIENT WILL NEED TO SUPPLY INCOME INFORMATION IN ORDER TO DETERMINE ELIGIBILITY FOR CHARITY CARE PER POLICY ALSO SEE RESPONSE TO PART III LINE 4 ABOVE

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 IN 2009, EVANGELICAL COMMUNITY HOSPITAL PARTICIPATED IN A FIVE-COUNTY (SN YDER, UNION, MONTOUR, NORTHUMBERLAND AND COLUMBIA) COMMUNITY HEALTH NEEDS ASSESSMENT THE ASSESSMENT WAS CONDUCTED BY ACTION HEALTH, AN ORGANIZATION THAT FOSTERS COLLABORATION BETW EEN HOSPITALS AND LOCAL EDUCATIONAL INSTITUTIONS FOR THE PURPOSE OF MEETING THE HEALTH NEE DS OF THE COMMUNITY THE FIRST STEP IN THE PROCESS WAS FOR ACTION HEALTH TO FORM A NEEDS A SSESSMENT OVERSIGHT COMMITTEE IN MAY 2009, THE OVERSIGHT COMMITTEE SELECTED GEISINGER HEA LTH RESEARCH TO CONDUCT THE ASSESSMENT AND REPORT ON THE FINDINGS THE ASSESSMENT CONSISTE D OF FOCUS GROUPS, COMMUNITY INTERVIEWS, AND SURVEYS DISTRIBUTED TO A CLUSTERED RANDOMIZED SAMPLE OF RESIDENTS IN THE FIVE-COUNTY AREA FROM THE SURVEY DISTRIBUTION, 3,300 WERE RET URNED (A 36% RESPONSE RATE) FOCUS GROUP AND COMMUNITY INTERVIEWS CONSISTED OF HOSPITAL ST AKEHOLDERS, BUSINESS AND NONPROFIT LEADERS, COUNTY AND GOVERNMENT OFFICIALS, AS WELL AS LE ADERS FROM FAITH-BASED ORGANIZATIONS, SCHOOLS AND UNIVERSITIES THE 2009 NEEDS ASSESSMENT REPORT MAY BE FOUND ON THE ACTION HEALTH WEBSITE AT HTTP //ACTIONHEALTHPA ORG/COMMUNITY-H EALTH-NEEDS-ASSESSMENT/ FOCUS GROUP FINDINGS VARIED SOMEWHAT AMONG THE DIFFERENT COMMUNITI ES WITHIN THE FIVE-COUNTY AREA CONSISTENT FINDINGS ACROSS THE REGION INCLUDE 1) MEDICAL A ND SPECIALTY CARE - RESIDENTS HAVE DIFFICULTY NAVIGATING THE COMPLEX HEALTHCARE INDUSTRY A ND SYSTEMS, ESPECIALLY IN FINDING THE NEEDED SPECIALTY CARE SURVEY PARTICIPANTS NOTED THA T THERE IS LIMITED CARE AVAILABLE FOR THOSE WHO ARE UNINSURED OR UNDERINSURED 2) DENTAL CA RE - RESIDENTS IDENTIFIED THE NEED TO FIND ADEQUATE DENTAL CARE FOR LOW-INCOME RESIDENTS O R FOR THOSE WHO DO NOT HAVE INSURANCE THERE ARE A FEW AREA DENTISTS WHO ACCEPT STATE-ASSI STANCE (MEDICAID/CHIP) AS A FORM OF PAYMENT FOR DENTAL CARE AND THERE IS NO DENTAL CARE FO R LOW-INCOME ADULTS CHILDREN WITH STATE FUNDED INSURANCE MUST OFTEN OBTAIN THEIR DENTAL C ARE OUTSIDE THE REGION, NECESSITATING TRAVEL WHICH MAYBE A PROBLEM FOR FAMILIES WITH NO DE PENDABLE TRANSPORTATION 3) MENTAL HEALTH AND SUBSTANCE ABUSE - TREATMENT FOR MENTAL HEALTH AND SUBSTANCE ABUSE IS VERY LIMITED INPATIENT MENTAL HEALTH SERVICES ARE ALSO LIMITED AN D RESIDENTS DO NOT KNOW HOW TO ACCESS OR NAVIGATE THE MENTAL HEALTH SYSTEM IN OUR REGION 4) SOCIAL AND SUPPORT SERVICES - RESIDENTS DO NOT SEEM TO KNOW WHERE TO GO TO OBTAIN INFORM ATION ABOUT AVAILABILITY OF ALL KINDS OF SOCIAL AND SUPPORT SERVICES THERE IS ALSO LIMITE D COORDINATION OF INFORMATION AND SERVICES BETWEEN AGENCIES AND ORGANIZATIONS 5) HOMELESSN ESS - THERE IS LIMITED ACCESS TO SHELTERS FOR THE HOMELESS OR FOR THOSE IN NEED OF TRANSIT IONAL HOUSING 6) CONSUMER EDUCATION - THERE IS A GREAT NEED FOR CONSUMER EDUCATION AND PRO MOTION OF HEALTH LITERACY, HEALTH AND WELLNESS, PARENTING EDUCATION, AND PREVENTATIVE CAR E 7) PUBLIC TRANSPORTATION - WHILE THE FOCUS GROUP PARTICIPANTS ACKNOWLEDGED THE TREMENDOU S WORK OF THE UNION-SNYDER TRANSPORTATION AUTHORITY (USTA) AND OTHER SIMILAR TRANSPORT SYS TEMS, THERE WAS GENERAL AGREEMENT THAT THERE IS A NEED FOR EXPANDED PUBLIC TRANSPORTATION 8) FOOD - PARTICIPANTS CITED THAT FOOD PANTRIES ARE DIFFICULT TO LOCATE AND MAY BE LIMITED IN THEIR ABILITY TO MEET THE INCREASING COMMUNITY DEMANDS FOR FOOD 9) AFFORDABLE CHILD CA RE - PARTICIPANTS EXPRESSED CONCERN REGARDING LACK OF 24-HOUR CHILD CARE 24-HOUR CARE IS NEEDED DUE TO RESIDENTS WHO WORK SECOND OR THIRD SHIFTS 10) EDUCATION FOR SPECIAL GROUPS - PARTICIPANTS NOTED THAT THERE ARE DEMOGRAPHIC GROUPS WITH UNIQUE NEEDS AND THAT A ONE-SIZ E-FITS-ALL APPROACH IS NOT OPTIMAL TO MEET THESE NEEDS PARTICIPANTS RECOMMENDED THAT SPEC IAL PROGRAMS BE DEVELOPED FOR UNMET NEEDS OF THE FOLLOWING GROUPS SENIORS, NON-ENGLISH SP EAKERS, GRANDPARENTS RAISING GRANDCHILDREN, AND ADOLESCENTS 11) LACK OF HEALTH INSURANCE - DUE TO RISING UNEMPLOYMENT, HEALTH INSURANCE COVERAGE IS LACKING IN ADDITION, IT WAS NOT ED THAT RESIDENTS OF THE MIDDLE CLASS ARE LACKING IN THEIR ABILITY TO ACCESS ASSISTANCE WH ILE UNEMPLOYED, SUCH AS FOOD AND UTILITY ASSISTANCE 12) DOMESTIC VIOLENCE - WITH THE INCRE ASE OF UNEMPLOYMENT THERE HAS BEEN A REPORTED INCREASE IN DOMESTIC VIOLENCE SURVEY PARTIC IPANTS RECOMMENDED AN INCREASE IN THE OFFERING OF STRESS MANAGEMENT AND OTHER PROACTIVE ST RATEGIES TO REDUCE DOMESTIC VIOLENCE 13) TOBACCO USE - THERE IS A CONTINUED NEED FOR AFFOR DABLE TOBACCO CESSATION PROGRAMS IN THE REGION 14) LIMITED COMPUTER ACCESS - THIS WAS NOTE D AS A SIGNIFICANT BARRIER TO FINDING APPROPRIATE HEALTHCARE OPTIONS, FOR NAVIGATING THE H EALTHCARE SYSTEM, AND IN ACCESSING HEALTH INFORMATION, AS WELL AS HEALTH AND SOCIAL SERVIC ES IN ADDITION, THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT REVEALED THE MOST PREVALENT CHR ONIC HEALTH CONDITIONS IN OUR COMMUNITY AS - DIABETES- HIGH BLOOD PRESSURE- HEART DISEASE AS A MEMBER OF ACTION HEALTH AND THE COMMUNITY HEALTH NEEDS ASSESSMENT OVERSIGHT COMMITTE E, EVANGELICAL COMMUNITY HOSPITAL HAS TAKEN AN ACT

Identifier	ReturnReference	Explanation
		IVE ROLE IN THE ASSESSMENT PROCESS AND PARTICIPATES ACTIVELY ON THE COMMITTEE FOLLOWING T HE REVIEW OF THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT REPORT, THE HOSPITAL HAS DEVELOPED THREE STANDING TASKFORCES LED BY EDUCATORS IN THE COMMUNITY HEALTH EDUCATION OFFICE THE SOLE PURPOSE OF THE TASKFORCES IS TO ADDRESS THREE CRITICAL UNMET COMMUNITY NEEDS 1) NAVI GATING THE HEALTHCARE SYSTEM, 2) REDUCING OBESITY, AND 3) DECREASING TOBACCO USE PROGRAMM ING IN CLINICAL DEPARTMENTS, PATIENT PROCESSES, AND OUTREACH EFFORTS TO THE COMMUNITY WILL BE MODIFIED TO FOCUS ON MEETING THE IDENTIFIED UNMET NEEDS AND WAYS IN WHICH EVANGELICAL COMMUNITY HOSPITAL CAN BRING ABOUT SYSTEMIC CHANGE IN OCTOBER 2011, A NEW ACTION HEALTH CO MMUNITY HEALTH NEEDS ASSESSMENT OVERSIGHT COMMITTEE WAS FORMED AND EVANGELICAL COMMUNITY H OSPITAL HAS DESIGNATED TWO MANAGEMENT LEVEL INDIVIDUALS TO SERVE ON THIS COMMITTEE THE CO MMITTEE HAS BEGUN ITS WORK TO ASSESS THE NEEDS OF THE COMMUNITY THROUGH A 2012 COMMUNITY N EEDS ASSESSMENT

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 AS A COMMUNITY HOSPITAL, EVANGELICAL IS DEDICATED TO IMPROVING THE HEALTH AND WELL-BEING OF ALL ITS CONSTITUENTS THROUGH THE FINANCIAL ASSISTANCE PROGRAM, MEDICAL CARE IS PROVIDED REGARDLESS OF A PATIENT'S ABILITY TO PAY, INSUFFICIENT HEALTH INSURANCE OR WHETHER A GOVERNMENT-SPONSORED PROGRAM COVERS THE FULL COST OF SERVICES AND AS THE COUNTRY'S ECONOMIC FUTURE REMAINS UNCERTAIN, EVANGELICAL WILL CONTINUE TO PROVIDE CARE FOR THOSE WHO NEED IT EVANGELICAL WILL PROVIDE SERVICES AT NO CHARGE OR REDUCED CHARGES TO THOSE WHO ARE FINANCIALLY UNABLE TO PAY FOR THOSE SERVICES EVANGELICAL WILL NOT ARBITRARILY RESTRICT THE PROVISIONS OF HEALTH SERVICES TO CERTAIN INDIVIDUALS OR GROUPS EVANGELICAL COMMUNITY HOSPITAL'S REGISTRATION DEPARTMENT REPRESENTATIVES INFORM OUR UNINSURED OR UNDER INSURED PATIENTS, OF OUR FINANCIAL ASSISTANCE PROGRAM FINANCIAL ASSISTANCE APPLICATIONS ARE OFFERED TO THESE PATIENTS AND IN ADDITION, THEY HAVE THE OPPORTUNITY TO CALL OUR FINANCIAL COUNSELOR THE FINANCIAL COUNSELOR DISCUSSES THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFITS SUCH AS MEDICAID OR STATE PROGRAMS TO ASSIST THE PATIENT WITH QUALIFICATIONS FOR THESE PROGRAMS THE FINANCIAL COUNSELOR WILL ALSO ASSIST THE PATIENT IN COMPLETING THE PROPER PAPERWORK FOR ASSISTANCE THE FINANCIAL COUNSELORS AND CASE MANAGEMENT STAFF WORK CLOSELY TO IDENTIFY AND ASSIST ELIGIBLE PATIENTS OUR SELF-PAY VENDOR ALSO INFORMS THE PATIENT THAT EVANGELICAL HAS A FINANCIAL ASSISTANCE PROGRAM AND A FINANCIAL COUNSELOR WHO WILL SEND THEM AN APPLICATION IF REQUESTED OUR THIRD PARTY VENDOR WORKS ON BEHALF OF THE ORGANIZATION TO FOLLOW THE HOSPITAL'S POLICIES REGARDING PATIENT NOTIFICATION AND THE AVAILABILITY OF FINANCIAL ASSISTANCE EVANGELICAL'S FINANCIAL ASSISTANCE POLICY IS POSTED ON THE EVANGELICAL WEBSITE (HTTP //WWW EVANHOSPITAL COM/SERVICES/COMMUNITY_RESOURCES/CHARITY_CARE) ALONG WITH AN APPLICATION FOR PATIENTS TO COMPLETE FOR FINANCIAL ASSISTANCE EVANGELICAL COMMUNITY HOSPITAL WILL MAKE AVAILABLE A WRITTEN NOTICE TO EACH PATIENT OR THEIR REPRESENTATIVE OF THE EXISTENCE, CRITERIA AND MECHANISM FOR RECEIVING FINANCIAL ASSISTANCE THE HOSPITAL WILL CREATE AND MAINTAIN RECORDS DEMONSTRATING THAT THE REQUIRED CRITERIA AND MECHANISM ARE ESTABLISHED (HOSPITAL WILL RECORD ANY AND ALL REQUESTS FOR FINANCIAL ASSISTANCE, THE DISPOSITION AND THE DOLLAR AMOUNT OF EVANGELICAL'S FINANCIAL ASSISTANCE PROGRAM PROVIDED) IN ALL INSTANCES, PATIENT CONFIDENTIALITY WILL BE PROTECTED ELIGIBILITY WILL BE DETERMINED BY COMPARING HOUSEHOLD FAMILY INCOME AGAINST THE INCOME POVERTY GUIDELINES INCOME IS DEFINED AS THE TOTAL ANNUAL CASH RECEIPTS BEFORE TAXES FROM ALL SOURCES AN INDIVIDUAL NOTICE OF AVAILABILITY OF EVANGELICAL'S FINANCIAL ASSISTANCE PROGRAM WILL BE GIVEN TO EACH PATIENT OR THEIR REPRESENTATIVE PRIOR TO SERVICES BEING RENDERED, WITH THE EXCEPTION OF EMERGENCY SERVICES THESE NOTICES SHALL BE AVAILABLE IN ALL REGISTRATION AREAS OF THE HOSPITAL AND SHALL INCLUDE THE MOST CURRENT AVAILABLE "HOUSEHOLD INCOME GUIDELINES" AS PUBLISHED IN THE FEDERAL REGISTER THE PATIENT ACCOUNTS DIRECTOR OR HIS/HER DESIGNEE SHALL REVIEW ALL APPLICATIONS FOR THE EVANGELICAL FINANCIAL ASSISTANCE PROGRAM IT IS THE APPLICANT'S RESPONSIBILITY TO PROVIDE PROOF OF INCOME WHEN LANGUAGE IS A BARRIER, EVANGELICAL OFFERS A SPECIAL INTERPRETER CONFERENCING TELEPHONE SERVICE INTERPRETATION SERVICES ARE AVAILABLE FOR A MULTITUDE OF PATIENT/CAREGIVER INTERACTIONS WHEN A NON-ENGLISH SPEAKING PATIENT, NO MATTER HIS OR HER NATIVE TONGUE, CALLS IN TO THE HOSPITAL, HE OR SHE WILL BE ABLE TO BE UNDERSTOOD THROUGH A TELEPHONE INTERPRETER THIS IS AVAILABLE FOR OUTBOUND CALLS TO THE PATIENT AS WELL THE PROCESS CONTRIBUTES TO IMPROVED PATIENT CARE AND CLINICAL OUTCOMES AND MAKES A VITAL DIFFERENCE IN THE QUALITY OF SERVICE EVANGELICAL IS ABLE TO PROVIDE TO NON-ENGLISH SPEAKING PATIENTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 EVANGELICAL COMMUNITY HOSPITAL (ECH) IS LOCATED IN LEWISBURG, PA (UNION C OUNTY), THE HEART OF CENTRAL PA THE HOSPITAL IS CONVENIENTLY LOCATED OFF INTERSTATE 80 ON U S ROUTE 15 ECH SERVES THE RESIDENTS OF UNION, SNYDER & NORTHUMBERLAND COUNTIES AND SU RROUNDING AREAS ECH IS THE 3RD LARGEST EMPLOYER IN UNION COUNTY WITH MORE THAN 1,200 EMPL OYEES ACCORDING TO THE HOSPITAL AND HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA, ECH'S TOTAL IMPACT ON THE REGIONAL ECONOMY TOPS MORE THAN $180 MILLION ECH IS A 127 LICENSED-BED ACU TE CARE COMMUNITY HOSPITAL WITH OVER 1,200 EMPLOYEES AND NEARLY 200 MEDICAL STAFF MEMBERS ECH HAS A BUSY EMERGENCY DEPARTMENT WITH OVER 31,500 VISITS IN 2010 ECH HAS EARNED THE P ATIENT SAFETY EXCELLENCE AWARD FOUR OF THE PAST FIVE YEARS FROM HEALTHGRADES (A LEADING NA TIONAL INDEPENDENT HEALTHCARE RATINGS ORGANIZATION) WHICH PUTS ECH IN THE TOP 5% OF ALL HO SPITALS IN THE COUNTRY FOR PATIENT SAFETY, SHARING THIS DISTINCTION WITH ONLY 242 OTHERS THE PRIMARY SERVICE AREA OF RESIDENTS OF ECH INCLUDES 17810, 17812, 17843, 17813, 17730, 17827, 17829, 17831, 17876, 17833, 17835, 17837, 17749, 17842, 17844, 17845, 17847, 17850, 17853, 17855, 17856, 17857, 17861, 17862, 17864, 17865, 17086, 17870, 17801, 17880, 17882 , 17772, 17883, 17777, 17886, 17887, 17885, 17889 OUR SECONDARY SERVICE AREA IS FROM THE F OLLOWING ZIP CODES 16820, 17866, 17014, 17017, 17821, 17823, 17830, 17737, 17834, 17836, 17045, 17840, 17747, 17832, 17049, 17841, 17062, 17752, 17851, 17756, 17860, 17080, 16872, 17867, 17868, 17872, 17877, 17881, 17884, 16882 THE REGION IS HOME TO SEVERAL COLLEGES, U NIVERSITIES AND TECHNICAL SCHOOLS AS WELL AS STRONG PUBLIC SCHOOL SYSTEMS IT HAS A VERY D IVERSE HISTORY AND RURAL APPEAL, YET FEATURES BUSINESS AND HEALTHCARE FACILITIES USING THE LATEST ADVANCES IN SCIENCE AND TECHNOLOGY ADDITIONAL HOSPITALS IN OUR REGION CONSIST OF GEISINGER MEDICAL CENTER, SUNBURY COMMUNITY HOSPITAL (FOR-PROFIT SYSTEM), SHAMOKIN AREA CO MMUNITY HOSPITAL, SUSQUEHANNA HEALTH SYSTEM, AND BLOOMSBURG HOSPITAL ACCORDING TO MOST NA TIONAL DATA COLLECTION EFFORTS THE REGION IS PRIMARILY A RURAL REGION THIS IS CONFIRMED I N RESPONDENT REPORTS FROM THE NEEDS ASSESSMENT ABOUT 61% OF RESPONDENTS IN THE REGION DES CRIBED THEIR PLACE OF RESIDENCE AS RURAL MANY PARTICIPANTS RESPONDING TO THE COMMUNITY NEE DS ASSESSMENT REPORTED SIGNIFICANT BARRIERS TO ACCESSING HEALTH CARE IN THEIR COMMUNITIES THESE WERE PRIMARILY RELATED TO LACK OF HEALTH CARE COVERAGE, LACK OF UNDERSTANDING ABOUT HOW TO NAVIGATE THE HEALTHCARE SYSTEM AND WHERE TO GO FOR HELP, TRANSPORTATION, LOW INCOM E AND LOCATING HEALTH CARE PROVIDERS AND PAYING FOR SERVICES-PARTICULARLY DENTAL CARE CIT Y-DATA COM FOR UNION COUNTY INDICATES THAT THE POPULATION CONSISTS OF WHITE NON-HISPANIC (87 6%), BLACK (6 9%), HISPANIC (3 9%), TWO OR MORE RACES (1 4%) THE MEDIAN RESIDENT AGE I S 35 8 ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2009 $49,803 RESIDENTS WITH INCOME BELOW THE POVERTY LEVEL IN 2009 8 8%PERSONS ENROLLED IN HOSPITAL INSURANCE AND/OR SUPPLEMENTAL MED ICAL INSURANCE (MEDICARE) IN JULY 1, 2003 6,234 (5,612 AGED, 622 DISABLED), POPULATION WI THOUT HEALTH INSURANCE COVERAGE IN 2000 11%, CHILDREN UNDER 18 WITHOUT HEALTH INSURANCE C OVERAGE IN 2000 9%89 6% OF RESIDENTS OF UNION COUNTY SPEAK ENGLISH AT HOME, 3 7% OF RESID ENTS SPEAK SPANISH AT HOME, 5 7% OF RESIDENTS SPEAK OTHER INDO-EUROPEAN LANGUAGE AT HOME, 0 8% OF RESIDENTS SPEAK ASIAN OR PACIFIC ISLAND LANGUAGE AT HOME, 0 2% OF RESIDENTS SPEAK OTHER LANGUAGE AT HOME CITY-DATA COM FOR SNYDER COUNTY INDICATES THE POPULATION CONSISTS O F WHITE NON-HISPANIC (97 4%), HISPANIC (1 0%), BLACK (0 8%) THE MEDIAN RESIDENT AGE IS 36 7 ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2009 $44,426 RESIDENTS WITH INCOME BELOW THE POV ERTY LEVEL IN 2009 9 9%PERSONS ENROLLED IN HOSPITAL INSURANCE AND/OR SUPPLEMENTAL MEDICAL INSURANCE (MEDICARE) IN JULY 1, 2003 6,148 (5,230 AGED, 918 DISABLED), POPULATION WITHOU T HEALTH INSURANCE COVERAGE IN 2000 9%, CHILDREN UNDER 18 WITHOUT HEALTH INSURANCE COVERA GE IN 2000 8%92 0% OF RESIDENTS OF SNYDER COUNTY SPEAK ENGLISH AT HOME, 1 5% OF RESIDENTS SPEAK SPANISH AT HOME, 6 3% OF RESIDENTS SPEAK OTHER INDO-EUROPEAN LANGUAGE AT HOME, 0 2% OF RESIDENTS SPEAK ASIAN OR PACIFIC ISLAND LANGUAGE AT HOME, 0 1% OF RESIDENTS SPEAK OTHE R LANGUAGE AT HOMECITY-DATA COM FOR NORTHUMBERLAND COUNTY INDICATES THAT THE POPULATION CO NSISTS OF WHITE NON-HISPANIC (96 6%), BLACK (1 5%), HISPANIC (1 1%), TWO OR MORE RACES (0 6%) ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2009 $37,602, RESIDENTS WITH INCOME BELOW THE P OVERTY LEVEL IN 2009 11 9%, PERSONS ENROLLED IN HOSPITAL INSURANCE AND/OR SUPPLEMENTAL ME DICAL INSURANCE (MEDICARE) IN JULY 1, 2003 19,762 (16,930 AGED, 2,832 DISABLED) POPULATION WITHOUT HEALTH INSURANCE COVERAGE IN 2000 10%, CHILDREN UNDER 18 WITHOUT HEALTH INSURANC E COVERAGE IN 2000 8%, 95 6% OF RESIDENTS OF NORTHUMBERLAND COUNTY SPEAK ENGLISH AT HOME, 1 5% OF RESIDENTS SPEAK SPANISH AT HOME, 2 6% OF

Identifier	ReturnReference	Explanation
		RESIDENTS SPEAK OTHER INDO-EUROPEAN LANGUAGE AT HOME, 0 3% OF RESIDENTS SPEAK ASIAN OR PAC IFIC ISLAND LANGUAGE AT HOME, 0 1% OF RESIDENTS SPEAK OTHER LANGUAGE AT HOME ECH OPERATES AN EMERGENCY DEPARTMENT THAT IS OPEN TO ALL PERSONS REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES WE HAVE OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIAN S IN THE AREA ECH HAS A BOARD OF DIRECTORS IN WHICH INDEPENDENT COMMUNITY PERSONS ARE REP RESENTED ECH IS AFFILIATED WITH HEALTHCARE FACILITIES, SUCH AS GEISINGER MEDICAL CENTER, TO PROVIDE THE BEST MEDICAL CARE FOR OUR PATIENTS ECH WORKS WITH THE FOLLOWING ORGANIZATI ONS PENN COLLEGE, CENTRAL SUSQUEHANNA INTERMEDIATE UNIT, BLOOMSBURG UNIVERSITY, AND THOMA S JEFFERSON UNIVERSITY TO ENGAGE IN TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS E CH PROVIDES FINANCIAL AID TO SUPPORT STUDENTS CHOOSING THE NURSING PROFESSION THROUGH THE MAE KEEFER AND CRYSTAL SNYDER NURSING SCHOLARSHIP FUND ECH PARTICIPATES WITH THE FOLLOWING MAJOR HEALTH PLANS CAPITAL BLUE CROSS, GEISINGER HEALTH PLAN, HIGHMARK BLUESHIELD, HEALT HAMERICA/HEALTH ASSURANCE, KEYSTONE HEALTH PLAN CENTRAL, AND MEDICARE THE COMMUNITY NEEDS ASSESSMENT SUMMARIZED THE FOLLOWING REGARDING THE DEMOGRAPHICS AND NEEDS OF OUR COMMUNITY NEARLY 39% OF RESPONDENTS WERE SENIOR CITIZENS, MORE THAN HALF OF RESPONSES REPRESENT HOU SEHOLDS WITH INCOME OF $40,000 PER YEAR OR LESS, ABOUT ONE-THIRD OF AREA RESIDENTS REPORT THAT THEIR FINANCIAL CIRCUMSTANCES ARE SOMEWHAT OR MUCH WORSE OFF COMPARED TO TWO YEARS AG O, WHILE THE EDUCATIONAL LEVELS OF AREA RESIDENTS ARE GENERALLY QUITE HIGH DUE TO THE PRES ENCE OF OCCUPATIONS THAT REQUIRE HIGHER LEVELS OF EDUCATION, ABOUT 1 OUT OF 9 ADULTS IN TH E REGION DO NOT HAVE A HIGH SCHOOL DIPLOMA THOSE WITHOUT A HIGH SCHOOL DIPLOMA HAVE A SIG NIFICANTLY INCREASED RISK FOR UNEMPLOYMENT, LOW INCOME, AND HOUSING ISSUES MOST RESIDENTS HAVE LIVED IN THE AREA FOR TEN OR MORE YEARS ABOUT 8 2% HAVE MOVED TWO OR MORE TIMES IN THE PAST TWO YEARS ABOUT TWO-THIRDS OF HOUSEHOLDS IN THE REGION HAVE A COMPUTER IN THEIR HOME AMONG THOSE WITH A COMPUTER, 74 0% USE THE COMPUTER DAILY SENIOR HOUSEHOLDS ARE THE LEAST LIKELY TO REPORT HAVING A COMPUTER OR USING A COMPUTER REGULARLY COMMUNITY COHESIO N - 91% OF AREA RESIDENTS INDICATED THAT THEY FEEL SAFE OR VERY SAFE AT HOME SENIOR RESID ENTS ARE SOMEWHAT LESS LIKELY TO FEEL SAFE IN THEIR NEIGHBORHOODS RESIDENTS WHO DO NOT FE EL SAFE IN THEIR NEIGHBORHOOD ARE LESS LIKELY TO ASK FOR ASSISTANCE SUCH AS A RIDE TO AN A PPOINTMENT TOBACCO AND ALCOHOL USE - ABOUT 16% OF AREA ADULTS USE TOBACCO PRODUCTS TWO-T HIRDS OF THESE INDIVIDUALS HAVE ATTEMPTED TO STOP USING TOBACCO MOST ADULTS IN THE REGION HAVE USED ALCOHOL AT SOME TIME IN THEIR LIVES ABOUT 6% OF ADULTS REPORTED ALCOHOL USE CO NSISTENT WITH BINGE DRINKING DURING THE PAST THIRTY DAYS ONE THIRD OF THOSE WHO REPORTED DRINKING FIVE OR MORE DRINKS THE LAST TIME ALCOHOL WAS CONSUMED HAD PROBLEMS ASSOCIATED WI TH DRINKING SUCH AS FAMILY OR LEGAL PROBLEMS NEARLY 60% OF THESE INDIVIDUALS BELIEVED THA T THEY HAD A DRINKING PROBLEM AND NEARLY HALF OF THOSE WHO DRANK FIVE OR MORE DRINKS THE L AST TIME THEY DRANK WERE UNABLE TO GET HELP WHEN SOUGHT DURING THE PAST YEAR PREVENTION A ND HEALTHY LIFESTYLES - GENERALLY, THERE IS A NEED FOR INCREASED COMPLIANCE WITH PREVENTIO N AND HEALTHY LIFESTYLE PRACTICES IT APPEARS THAT INDIVIDUALS WITH A CHRONIC HEALTH CONDI TION ARE LIKELY TO HAVE HAD MANY OF THE SCREENING AND PREVENTION PROCEDURES THAT ARE INDIC ATED HOWEVER, AMONG THOSE WITHOUT A DIAGNOSED HEALTH CONDITION, AND AMONG THOSE WHO ARE U NDER AGE 65 YEARS, THERE IS A MUCH LOWER RATE OF COMPLIANCE WITH RECOMMENDED EVALUATIONS A ND PREVENTION ACTIVITIES SEE SCHEDULE O FOR CONTINUATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 EVANGELICAL COMMUNITY HOSPITAL HAS A TOTAL OF 127 PATIENT BEDS AND 18 BASSINETS THERE ARE NEARLY 200 PHYSICIANS ON STAFF, AND NEARLY 900 CLINICAL EMPLOYEES, INCLUDING LAB TECHNICIANS, NURSES, NURSING ASSISTANCES, PHYSICAL, OCCUPATIONAL AND SPEECH THERAPISTS, RADIOLOGY TECHNICIANS, PHLEBOTOMISTS, AND SUPPORT PERSONNEL EACH ARE HIGHLY TRAINED TO DELIVER QUALITY AND SAFE CARE TO INPATIENTS AND OUTPATIENTS THE HOSPITAL HAS 1) AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREAS,2) A BOARD OF DIRECTORS WHO GOVERN THE ORGANIZATION THE BOARD IS COMPRISED OF COMMUNITY AND BUSINESS LEADERS, AND PHYSICIANS REPRESENTING THE GEOGRAPHIC AREA OF OUR REGION,3) AN EMERGENCY DEPARTMENT THAT IS OPEN TO ALL PERSONS IN NEED REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES,4) A HOSPICE PROGRAM THAT PROVIDES END-OF-LIFE CARE TO ALL PERSONS REGARDLESS OF THEIR ABILITY TO PAY FOR CARE,5) A BIOETHICS COMMITTEE COMPRISED OF VOLUNTEERS WHO ARE PHYSICIANS, NURSES, SOCIAL SERVICE WORKERS, PASTORAL CAREGIVERS, EDUCATORS, AND OTHER PROFESSIONALS THEY DISCUSS AND ADDRESS ETHICAL ISSUES AND DILEMMAS THAT ARE PRESENTED FOR REVIEW,6) PROVIDES FINANCIAL SUPPORT TO OTHER NONPROFIT ORGANIZATIONS FOR THE PURPOSE OF HEALTH PROMOTION AND COLLABORATING TO MEET UNMET NEEDS IN THE COMMUNITY 7) THE HOSPITAL'S COMMUNITY HEALTH EDUCATION DEPARTMENT IS FUNDED USING HOSPITAL RESOURCES THE DEPARTMENT INITIATES AND ORGANIZES PREVENTION, WELLNESS AND HEALTH EDUCATION LECTURES, EVENTS AND ACTIVITIES DEVELOPED FOR THE SOLE PURPOSE OF IMPROVING THE HEALTH OF THOSE IN OUR REGION THE COMMUNITY HEALTH EDUCATION STAFF OFFERS HEALTH SCREENINGS, HEALTH FAIRS, LECTURES, SUPPORT GROUPS, FLU SHOTS, AND SAFETY INSPECTIONS IN FISCAL YEAR 2011, THE COMMUNITY HEALTH EDUCATION STAFF PROVIDED MORE THAN 1439 FLU VACCINATIONS AND MORE THAN 1000 CHILDREN AND PARENTS ATTENDED THE ANNUAL CHILDREN'S HEALTH FAIR ANY SURPLUS FUNDS ARE REINVESTED IN THE CAPITAL OF THE HOSPITAL, USED FOR TECHNOLOGY PURCHASES FOR THE LATEST MEDICAL EQUIPMENT, AND HELD FOR FUTURE USES FOR CARE OF THE INDIGENT

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 THE ORGANIZATION IS PART OF AN AFFILIATED HEALTH CARE SYSTEM DUE TO THE HOSPITAL HAVING COMMON GOVERNANCE AND CONTROL FOR EVANGELICAL MEDICAL SERVICES ORGANIZATION AND EVANGELICAL COMMUNITY HOSPITAL HOMECARE PRODUCTS EVANGELICAL MEDICAL SERVICESORGANIZATION PROVIDES HEALTHCARE SERVICES IN THE FORM OF PRIMARY AND SPECIALTY CARE PHYSICIANS TO THE COMMUNITY HOMECARE PRODUCTS PROVIDES DURABLE MEDICAL EQUIPMENT AND OXYGEN TO THE SUPPORT THE COMMUNITY NEEDS

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	PA

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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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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

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

3 Enter total number of other organizations . . . ▶

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) NURSING SCHOLARSHIPS	19	36,950		CASH	N/A
(2) JOHNS FAMILY SCHOLARSHIPS	4	20,000		CASH	N/A

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 APPLICANTS MUST APPLY FOR NURSING AND TRAINING DEPARTMENT SCHOLARSHIPS APPLICATIONS ARE REVIEWED BY A COMMITTEE TO DETERMINE IF THE APPLICANTS MEET THE ELIGIBILITY REQUIREMENTS APPLICANTS ARE REVIEWED BASED ON COMMUNITY SERVICE AND/OR EXTRA CURRICULAR ACTIVITIES, ACADEMIC STANDING, QUALITY OF ESSAY, FINANCIAL NEED, ETC

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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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MICHAEL N O'KEEFE	(i)	361,161	0	0	36,558	64,567	462,286	0
	(ii)	0	0	0	0	0	0	0
(2) JAMES A STOPPER	(i)	122,892	0	0	0	34,410	157,302	0
	(ii)	0	0	0	0	0	0	0
(3) J LAWRENCE GINSBURG	(i)	545,654	0	0	41,326	111,457	698,437	0
	(ii)	0	0	0	0	0	0	0
(4) KENDRA A AUCKER	(i)	199,727	0	0	14,235	41,689	255,651	0
	(ii)	0	0	0	0	0	0	0
(5) TAMI RADECKE	(i)	153,131	0	0	14,721	28,156	196,008	0
	(ii)	0	0	0	0	0	0	0
(6) PAUL TARVES	(i)	188,181	0	0	16,520	36,171	240,872	0
	(ii)	0	0	0	0	0	0	0
(7) MARK K KRAMMES	(i)	229,986	0	0	0	64,396	294,382	0
	(ii)	0	0	0	0	0	0	0
(8) SANDRA S WALKER	(i)	223,992	0	0	0	62,718	286,710	0
	(ii)	0	0	0	0	0	0	0
(9) LORI K GOODLING	(i)	218,136	0	0	0	61,078	279,214	0
	(ii)	0	0	0	0	0	0	0
(10) RAYMOND J TOMASZEWSKI	(i)	214,621	0	0	0	60,094	274,715	0
	(ii)	0	0	0	0	0	0	0
(11) COLLEEN FRITZ	(i)	212,351	0	0	0	59,458	271,809	0
	(ii)	0	0	0	0	0	0	0
(12) RICHARD E SMITH JR	(i)	170,927	0	0	13,321	34,538	218,786	0
	(ii)	0	0	0	0	0	0	0
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINES 4A-B	RICHARD E SMITH, JR RECEIVED $48,750 OF SEVERENCE PAYMENTS

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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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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	UNION COUNTY HOSPITAL AUTHORITY	23-2739624	906460CT5	08-01-2004	23,463,224	SERIES OF 2004 BONDS - FUND CONSTRUCTION & RENOVATIONS PROJECTS		X		X		X
B	UNION COUNTY HOSPITAL AUTHORITY	23-2739624		03-03-2011	29,960,888	SERIES OF 2011 BONDS - FUND CONSTRUCTION & REFUND OUTSTANDING 2009 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	2,140,000			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	23,474,907	29,719,008		
4	Gross proceeds in reserve funds	1,753,500	2,252,124		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	771,220	377,544		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	15,232,482			
11	Other spent proceeds	5,717,705	11,245,154		
12	Other unspent proceeds	15,844,186	15,844,186		
13	Year of substantial completion	2004			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X				
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %					
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 ▶	0 320 %		0 320 %					
6	Total of lines 4 and 5	0 320 %		0 320 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV Arbitrage

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, LINE 3		TOTAL PROCEEDS OF ISSUE FOR BOND A IS LESS THAN THE ISSUE PRICE LISTED IN PART I DUE TO THE UNDERWRITER'S DISCOUNT OF $189,280 OFFSET BY INVESTMENT EARNINGS OF $200,963 TOTAL PROCEEDS OF ISSUE FOR BOND B IS LESS THAN THE ISSUE PRICE LISTED IN PART I DUE TO THE UNDERWRITER'S DISCOUNT OF $241,880

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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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? 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) JOHN D GRIFFITH	DIRECTOR OF THE BOARD	426,965	JOHN D GRIFFITH LEASES PROPERTY TO THE HOSPITAL AT AN ARM'S LENGTH TRANSACTION		No
(2) JAMES W MORGAN JR MD	DIRECTOR OF THE BOARD	305,158	THE HOSPITAL PAYS DR MORGAN'S PRACTICE FOR MEDICAL DIRECTORSHIPS THAT ARE SERVED BY DOCTORS WITHIN HIS PRACTICE		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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▸ (ADVERTISEMENT SPACE)	X	1	5,661	FMV
26	Other ▸ (SPORTING EVENT)	X	1	1,368	FMV
27	Other ▸ (ACCOMODATIONS)	X	1	8,400	FMV
28	Other ▸ (FUNDRAISING PRIZES)	X	286	51,960	FMV

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?	30a		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?	31		No
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		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

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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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		JAMES APPLE IS THE FATHER OF TIM APPLE AND BOTH SERVE ON THE BOARD ROBERT GRONLUND IS THE FATHER OF BROOKS GRONLUND AND BOTH SERVE ON THE BOARD

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		FORM 990 WAS REVIEWED BY THE FINANCE DEPARTMENT WITH THE AUDIT COMMITTEE AT AN AUDIT COMMITTEE MEETING PRIOR TO FILING THEY WILL HAVE THE OPPORTUNUITY TO ASK QUESTIONS AND CHANGES CAN BE MADE AS A RESULT IF NECESSARY BEFORE THE RETURN IS FILED

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	A CONFLICT OF INTEREST STATEMENT IS REQUIRED TO BE SIGNED ANNUALLY BY ALL VOTING BOARD MEMBERS, UPPER MANAGMENT, AND KEY EMPLOYEES THE HUMAN RESOURCES DEPARTMENT MONITORS COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY BY VERIFYING ALL FORMS ARE COMPLETED AND SIGNED HR MAINTAINS COPIES OF ALL COMPLETED CONFLICT OF INTEREST STATEMENTS MEMBERS WITH CONFLICTS ARE REQUIRED TO ABSTAIN FROM VOTING OR BEING A PART OF ACTIVE DISCUSSIONS WHERE THEY ARE IN DIRECT CONFLICT ANYONE IN VIOLATION OF THE CONFLICT OF INTEREST POLICY IS ASKED TO STEP DOWN FROM THE BOARD

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD'S EXECUTIVE COMPENSATION COMMITTEE, WHICH IS COMPOSED SOLELY OF INDEPENDENT MEMBERS OF THE BOARD, HAS ADOPTED AND FOLLOWS A PROCESS FOR REVIEWING AND DETERMINING THE COMPENSATION OF THE CEO AND THE EXECUTIVE MANAGEMENT TEAM THE EXECUTIVE MANAGEMENT TEAM CONSISTS OF THE FOLLOWING POSITIONS CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, VICE PRESIDENT OF MEDICAL AFFAIRS, VICE PRESIDENT - NURSING, VICE PRESIDENT - DEVELOPMENT, VICE PRESIDENT - HUMAN RESOURCES, CHIEF INFORMATION OFFICER, VICE PRESIDENT - SUBSIDIARY OPERATIONS THE COMMITTEE HAS ENGAGED AN INDEPENDENT COMPENSATION CONSULTANT TO PROVIDE INFORMATION AND ADVICE TO THE COMMITTEE, INCLUDING BUT NOT LIMITED TO, PROVIDING INDEPENDENT COMPENSATION COMPARABILITY DATA FOR FUNCTIONALLY COMPARABLE POSITIONS IN SIMILARLY SITUATED HOSPITALS THE DATA IS PROVIDED ON AN ANNUAL BASIS AND IS REVIEWED BY THE COMMITTEE, ALONG WITH OTHER INFORMATION, PRIOR TO APPROVING ANY CHANGES TO COMPENSATION THE INDEPENDENCE OF THE COMMITTEE'S MEMBERS IS REVIEWED AND VERIFIED PRIOR TO THE START OF THE ANNUAL COMPENSATION REVIEW PROCESS SHOULD A CONFLICT PRESENT, THOSE INDIVIDUALS WITH ACTUAL OR PERCEIVED CONFLICTS ABSTAIN FROM VOTING UNTIL SUCH TIME AS THE CONFLICT CAN BE RESOLVED OR A REPLACEMENT MEMBER IS APPOINTED TO THE COMMITTEE THE COMMITTEE'S DELIBERATIONS AND DECISIONS ARE GUIDED BY A WRITTEN COMPENSATION PHILOSOPHY AND DOCUMENTED THROUGH WRITTEN MINUTES TAKEN DURING EACH MEETING THE MINUTES INCLUDE, AMONG OTHER THINGS, THE WRITTEN MATERIALS DISTRIBUTED OR PRESENTED DURING THE MEETING AND THE SPECIFIC DECISIONS TAKEN AT THE MEETING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE MADE 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 4,066,555 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENT 29,255 VALUATION GAIN 593,717 POSTRETIREMENT BENEFIT LIABILITY ADJUSTMENT -191,108 EQUITY TRANSFER TO AFFILIATE -1,950,000 TOTAL TO FORM 990, PART XI, LINE 5 2,548,419

Identifier	Return Reference	Explanation
	FORM 990, SCHEDULE H, PART VI, LINE 4	ADDITIONALLY, THOSE WHO HAVE NO HEALTH INSURANCE ARE LESS LIKELY TO HAVE THESE PREVENTION AND SCREENING PROCEDURES * INFLUENZA VACCINES WERE MORE LIKELY AMONG SENIORS AND THOSE WITH INSURANCE * LESS THAN TWO-THIRDS OF ADULTS WHO DO NOT HAVE HYPERTENSION (HIGH BLOOD PRESSURE) REPORTED A BLOOD PRESSURE CHECK IN THE PAST YEAR * MOST YOUNG ADULTS DID NOT PLAN TO GET THE H1N1 VACCINE DURING THE HEIGHT OF THE INFLUENZA OUTBREAK * ABOUT 37% OF AREA ADULTS DO NOT EXERCISE REGULARLY EACH WEEK AN ADDITIONAL ONE-THIRD EXERCISE ONE TO THREE DAYS EACH WEEK WHILE THE REMAINING 31% EXERCISE FOUR OR MORE DAYS EACH WEEK * MOST RESIDENTS REPORT WALKING AS THEIR USUAL EXERCISE THUS, PROMOTING HEALTHY WALKABLE COMMUNITIES SHOULD BE AN IMPORTANT PUBLIC HEALTH AGENDA ITEM FOR THE REGION * HOUSEHOLD INCOME WAS ASSOCIATED WITH THE ABILITY TO AFFORD A HEALTHY DIET NEARLY 7% OF LOW INCOME FAMILIES ARE OFTEN OR VERY OFTEN UNABLE TO AFFORD A HEALTHY DIET HOUSEHOLDS WITH CHILDREN WERE MORE LIKELY TO REPORT THAT THEY COULD NOT AFFORD FRESH FRUITS AND VEGETABLES HEALTH STATUS THE MOST PREVALENT CHRONIC HEALTH CONDITIONS REPORTED BY ADULTS INCLUDED HIGH BLOOD PRESSURE ARTHRITIS DIABETES ANXIETY AND DEPRESSION HEART DISEASE HIGH BLOOD PRESSURE IS MOST PREVALENT AMONG ADULTS OVER THE AGE OF 44 YEARS, WHILE ANXIETY AND DEPRESSION IS MOST PREVALENT AMONG 18-44 YEAR OLDS ABOUT 13% OF RESPONDENTS MET CRITERIA FOR SERIOUS PSYCHOLOGICAL DISTRESS THESE INDIVIDUALS MAY HAVE NEED FOR TREATMENT FOR CONDITIONS SUCH AS DEPRESSION OR ANXIETY ACCESS TO HEALTH CARE AND HEALTH INFORMATION ABOUT 90% OF AREA RESIDENTS HAVE A USUAL SOURCE OF HEALTH CARE HOWEVER, AMONG THOSE RESIDENTS WHO DO NOT HAVE HEALTH INSURANCE, NEARLY 41% REPORTED THAT THEY DID NOT HAVE A USUAL SOURCE OF CARE MORE THAN 5% OF AREA RESIDENTS ARE UNABLE TO AFFORD PRESCRIBED MEDICINES OFTEN OR VERY OFTEN UNINSURANCE STATUS REDUCES THE LIKELIHOOD THAT A RESIDENT OF THE AREA WILL HAVE SEEN A HEALTH CARE PROVIDER IN THE PAST TWO YEARS MOST AREA RESIDENTS OBTAIN HEALTH INFORMATION FROM THEIR HEALTH CARE PROVIDER HOWEVER, MORE THAN 40% OBTAIN SOME HEALTH INFORMATION FROM THE INTERNET COMMUNITY PROBLEMS THE MOST SIGNIFICANT COMMUNITY PROBLEMS NOTED BY AREA RESIDENTS INCLUDED UNEMPLOYMENT DOMESTIC VIOLENCE CHILD ABUSE DRUG ABUSE UNDERAGE DRINKING AFFORDABLE CHILDCARE PERSONAL AND HOUSEHOLD NEEDS DURING THE PAST YEAR AMONG THE SERVICES OR ASSISTANCE THAT AREA RESIDENTS WERE REPORTED HAVING DIFFICULTY ACCESSING WAS * PAYING FOR PRESCRIPTION MEDICATION, MENTAL HEALTH SERVICES, DENTAL CARE, AND MEDICAL CARE * FINDING MENTAL HEALTH CARE, SUBSTANCE ABUSE TREATMENT, DENTAL CARE, MEDICAL CARE AND CHILDCARE * LOCATING OR APPLYING FOR SOCIAL SERVICES, FOOD PANTRY AND OTHER FOOD ASSISTANCE, HEATING ASSISTANCE, LEGAL ASSISTANCE, AND ADULT ACCESS CONCLUSION THEMES ACROSS THE FOCUS GROUPS, INTERVIEWS AND SURVEYS WERE SIMILAR THERE IS CONSIDERABLE WORK TO BE DONE BY AREA AGENCIES AND THE ORGANIZATION THERE IS A SIGNIFICANT NEED FOR HEALTH AND WELLNESS EDUCATION AND SUPPORT AND PROMOTION OF WELLNESS EDUCATION AND PHYSICAL ACTIVITY A VERY CLEAR NEED IS PRESENT IN HELPING AREA RESIDENTS NAVIGATE THE HEALTH CARE AND SOCIAL SERVICE SYSTEM THERE IS NO CLEAR ROAD MAP FOR AREA RESIDENTS IN LOCATING SERVICES FOR EXAMPLE, THERE IS NOT A LISTING IN THE PHONE BOOK OR ON THE INTERNET FOR FOOD BANKS THE GREATEST NEEDS APPEAR TO BE IN OBTAINING HEALTH AND DENTAL CARE FOR LOW INCOME AND UNINSURED RESIDENTS THE PROBLEM IS A MULTI-LEVEL PROBLEM THAT BEGINS WITH LOCATING PROVIDERS AND IS CLOSELY FOLLOWED BY NEGOTIATING PAYMENT STRATEGIES FOR SERVICES IT IS UNLIKELY THAT THESE PROBLEMS CAN BE RESOLVED BY ONE ORGANIZATION BUT MAY OFFER OPPORTUNITIES FOR PARTNERSHIP ACROSS MANY ORGANIZATIONS PREVENTION AND EDUCATION FOR SUBSTANCE USE DISORDERS AND TOBACCO USE IS ONE OF MANY ISSUES THAT WILL REQUIRE THE DEVELOPMENT OF STRATEGIES FOR REACHING MANY DIFFERENT CONSTITUENCIES A FREQUENTLY NOTED CONCERN IN THE FOCUS GROUPS WAS THAT A MINORITY POPULATION WAS NOT REACHED BY EXISTING SERVICES THESE POPULATIONS INCLUDED SENIORS, TEENS, IMMIGRANT POPULATIONS, AND OTHERS EDUCATION FOR CONSUMER ISSUES AS WELL AS HEALTH ISSUES CANNOT BE ASSUMED TO BE "ONE SIZE FITS ALL" AND MUST BE TAILORED TO POPULATIONS OF NEED EVANGELICAL IS COLLABORATING WITH AREA HOSPITALS THROUGH "ACTION HEALTH" ALONG WITH SEVERAL COMMUNITY ORGANIZATIONS TO USE THIS DATA TO DEVELOP PARTNERSHIPS FOR MEETING THE NEEDS OF AREA RESIDENTS OUR STRATEGIC PLAN CALLS FOR EXPANDING PROGRAMS AND SERVICES TO ADDRESS COMMUNITY NEEDS AND GROWING OUTREACH EFFORTS TO UNDER SERVED COMMUNITIES

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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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) EVANGELICAL AMBULATORY SURGICAL CENTER LLC 210 JPM ROAD LEWISBURG, PA17837 23-3021240	HEALTHCARE	PA	N/A	INVESTMENT	101,438	852,085		No			No	50 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) CENTRAL SUSQUEHANNA HEALTHCARE PROVIDERS INC ONE HOSPITAL DRIVE LEWISBURG, PA17837 23-2452170	MEDICAL SERVICES	PA	N/A	C	-6,837	165,623	50 000 %
(2) ECH PHARMACY & HOMECARE PRODUCTS INC ONE HOSPITAL DRIVE LEWISBURG, PA17837 23-2353576	SALES OF MEDICAL DRUGS AND SUPPLIES	PA	EVANGELICAL MEDICAL SERVICE ORGANIZATION	C	1,973,630	1,992,417	
(3) EVANGELICAL MEDICAL SERVICE ORGANIZATION ONE HOSPITAL DRIVE LEWISBURG, PA17837 23-2809429	MEDICAL SERVICES	PA	N/A	C	15,557,102	8,897,370	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**	**No**
c	Gift, grant, or capital contribution from other organization(s)	**1c**	**No**
d	Loans or loan guarantees to or for other organization(s)	**1d**	**No**
e	Loans or loan guarantees by other organization(s)	**1e**	**No**
f	Sale of assets to other organization(s)	**1f**	**No**
g	Purchase of assets from other organization(s)	**1g**	**No**
h	Exchange of assets	**1h**	**No**
i	Lease of facilities, equipment, or other assets to other organization(s)	**1i**	**Yes**
j	Lease of facilities, equipment, or other assets from other organization(s)	**1j**	**No**
k	Performance of services or membership or fundraising solicitations for other organization(s)	**1k**	**No**
l	Performance of services or membership or fundraising solicitations by other organization(s)	**1l**	**No**
m	Sharing of facilities, equipment, mailing lists, or other assets	**1m**	**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**	**No**

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) 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: 24-0795411
Name: EVANGELICAL COMMUNITY HOSPITAL

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)	EVANGELICAL MEDICAL SERVICES ORGANIZATION	D	73,617	CASH
(2)	EVANGELICAL MEDICAL SERVICES ORGANIZATION	B	1,950,000	CASH
(3)	EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	D	78,050	CASH
(4)	EVANGELICAL MEDICAL SERVICES ORGANIZATION	P	1,148,685	CASH
(5)	EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	I	128,000	CASH
(6)	EVANGELICAL MEDICAL SERVICES ORGANIZATION	I	345,322	CASH
(7)	EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	N	57,456	HOURS SPENT WORKING FOR AFFILIATE
(8)	EVANGELICAL MEDICAL SERVICES ORGANIZATION	N	442,402	HOURS SPENT WORKING FOR AFFILIATE

Evangelical Community Hospital and Controlled Entities

Consolidated Financial Statements and Supplementary Information

June 30, 2011 and 2010

Evangelical Community Hospital and Controlled Entities

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June 30, 2011 and 2010

ParenteBeard

Independent Auditors' Report

Board of Directors
Evangelical Community Hospital

We have audited the accompanying consolidated balance sheet of Evangelical Community Hospital and controlled entities (collectively, the "Corporation") as of June 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Corporation'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

As disclosed in Note 2 to the consolidated financial statements, the Corporation adopted the provisions of Accounting Standards Codification topic 350, "Intangibles – Goodwill and Other" and topic 805, "Business Combinations" in 2011.

ParenteBeard LLC

Williamsport, Pennsylvania
December 28, 2011

Evangelical Community Hospital and Controlled Entities

Consolidated Balance Sheet
June 30, 2011 and 2010

Assets	2011	2010
Current Assets		
Cash and cash equivalents	$ 22,651,815	$ 24,453,335
Assets whose use is limited under trust indenture, held by trustee	801,116	795,970
Accounts receivable:		
Patients (net of estimated allowance for doubtful collections of $4,882,000 in 2011 and $5,218,000 in 2010)	10,891,690	10,736,337
Other (net of estimated allowance for doubtful collections of $37,000 in 2011 and $66,000 in 2010)	1,100,561	633,566
Current portion of note receivable	107,316	99,970
Inventories of drugs and supplies	2,980,518	2,724,561
Prepaid expenses and other current assets	2,342,747	1,668,190
Total current assets	40,875,763	41,111,929
Assets Whose Use Is Limited		
By Board for future capital improvements	57,785,489	51,060,477
Internally designed for deferred compensation plans	8,291,668	6,385,591
Under trust indenture, held by trustee	19,878,481	1,753,518
Board-designated unrestricted contributions	2,349,110	2,265,098
Long-Term Investments	1,430,653	931,909
Beneficial Interest in Perpetual Trusts	3,793,267	3,199,550
Beneficial Interest in Charitable Remainder Trusts	237,458	199,702
Pledges Receivable, Net	1,285,223	1,026,948
Note Receivable	1,462,091	1,569,407
Property and Equipment, Net	87,154,231	75,005,568
Goodwill	2,055,984	515,802
Deferred Financing Costs and Other Assets, Net	3,389,257	2,378,480
Total assets	$ 229,988,675	$ 187,403,979

Liabilities and Net Assets	2011	2010
Current Liabilities		
Current maturities of:		
Hospital revenue bonds	$ 1,760,000	$ 1,180,000
Capital lease obligations	385,590	332,662
Accounts payable:		
Trade	4,403,468	3,379,420
Construction	3,609,757	751,816
Accrued and withheld payroll taxes, etc	1,016,121	489,009
Accrued expenses	8,878,463	10,021,074
Environmental remediation liability	1,329,287	-
Blue Cross current financing advance	1,057,200	1,057,200
Estimated third-party payor settlements	1,247,201	1,032,994
Current portion of accrued postretirement benefit costs	284,675	261,377
Total current liabilities	23,971,762	18,505,552
Long-Term Debt		
Hospital revenue bonds	49,995,000	32,765,000
Capital lease obligations	947,256	1,040,655
Deferred Compensation	10,615,478	8,699,089
Charitable Gift Annuities Payable	713,587	765,608
Accrued Postretirement Benefit Costs	5,109,880	4,931,212
Estimated Medical Malpractice Claims Liability	809,884	926,591
Total liabilities	92,162,847	67,633,707
Net Assets		
Unrestricted	130,942,030	114,197,160
Temporarily restricted	1,696,335	1,401,450
Permanently restricted	5,187,463	4,171,662
Total net assets	137,825,828	119,770,272
Total liabilities and net assets	$ 229,988,675	$ 187,403,979

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidated Statement of Operations
Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Revenues, Gains, and Other Support		
Net patient service revenues	$ 135,857,302	$ 128,464,028
Other revenues	6,711,443	7,840,096
Net assets released from restrictions	251,152	184,352
Total unrestricted revenues, gains, and other support	142,819,897	136,488,476
Expenses		
Salaries and wages	48,870,383	47,374,910
Supplies and expenses	44,332,473	41,467,086
Employee benefits	16,037,473	16,659,738
Physician salaries and fees	9,501,343	9,499,487
Provision for doubtful collections	7,331,822	5,905,874
Depreciation	7,213,552	7,304,940
Interest (net of capitalized interest of $373,208 in 2011 and $82,979 in 2010)	1,527,439	1,384,254
Insurance	597,852	1,573,871
Loss on refinancing of debt	286,495	-
Amortization	79,594	196,719
Loss on the sale and disposal of property and equipment	86,351	115,590
Total expenses	135,864,777	131,482,469
Operating Income	6,955,120	5,006,007
Other Income		
Investment income	7,399,136	3,808,136
Contributions	1,162,059	896,779
Equity in income of investees	94,601	209,885
Revenues in excess of expenses	15,610,916	9,920,807
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	1,570,821	738,685
Postretirement Benefit Liability Adjustment	(191,108)	(884,572)
Increase in Unrestricted Net Assets Before Effect of Adoption of New Accounting Standard	16,990,629	9,774,920
Effect of Adoption of New Accounting Standard	(245,759)	-
Increase in unrestricted net assets	$ 16,744,870	$ 9,774,920

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidated Statement of Changes in Net Assets
Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Revenues in excess of expenses	$ 15,610,916	$ 9,920,807
Net assets released from restrictions used for purchase of property and equipment	1,570,821	738,685
Postretirement benefit liability adjustment	(191,108)	(884,572)
Increase in unrestricted net assets before effect of adoption of new accounting standard	16,990,629	9,774,920
Effect of adoption of new accounting standard	(245,759)	-
Increase in unrestricted net assets	16,744,870	9,774,920
Temporarily Restricted Net Assets		
Contributions and grants	2,023,167	1,822,776
Investment income	84,581	44,656
Change in value of split-interest agreement	9,110	2,547
Net assets released from restrictions	(1,821,973)	(923,037)
Increase in temporarily restricted net assets	294,885	946,942
Permanently Restricted Net Assets		
Contributions	379,840	123,011
Investment income	22,099	448
Valuation gain	593,717	324,394
Change in value of split-interest agreement	20,145	9,457
Increase in permanently restricted net assets	1,015,801	457,310
Increase in net assets	18,055,556	11,179,172
Net Assets, Beginning	119,770,272	108,591,100
Net Assets, Ending	$ 137,825,828	$ 119,770,272

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidated Statement of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Increase in net assets	$ 18,055,556	$ 11,179,172
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	7,293,146	7,501,659
Provision for doubtful collections	7,331,822	5,905,874
Loss on the sale and disposal of property and equipment	86,351	115,590
Unrestricted net realized and unrealized gains and losses on investments other than trading securities	(6,621,963)	(2,679,300)
Equity in income of investees	(94,601)	(209,885)
Effect of adoption of new accounting standard	245,759	-
Purchase of equity in investees	(568,114)	(141,770)
Distributions received from investees	157,597	170,667
Restricted contributions	(2,864,522)	(2,198,455)
Postretirement benefit liability adjustment	191,108	884,572
Loss on refinancing of debt	286,495	-
Changes in assets and liabilities		
Accounts receivable	(7,954,169)	(4,743,223)
Estimated third-party payor settlements	214,207	709,067
Inventories of drugs and supplies	(255,957)	442,783
Prepaid expenses and other current assets	(674,557)	127,170
Accounts payable, trade	1,024,047	(64,697)
Accrued and withheld payroll taxes, etc	527,112	(41,681)
Accrued expenses and other liabilities	615,908	912,162
Environmental remediation liability	1,329,287	-
Net cash provided by operating activities	18,324,512	17,869,705
Cash Flows from Investing Activities		
Net purchases of investments	(20,721,991)	(1,552,731)
Purchases of property and equipment	(15,870,993)	(6,633,546)
Purchase of assets of business	(2,260,000)	-
Proceeds from the sale of property and equipment	108,926	82,459
Repayment of note receivable	99,970	92,859
Net cash used in investing activities	(38,644,088)	(8,010,959)
Cash Flows from Financing Activities		
Repayment of long-term debt	(12,425,000)	(1,130,000)
Payment of financing costs	(871,747)	(30,253)
Repayment of capital lease obligation	(394,971)	-
Proceeds from the issuance of long-term debt	30,235,000	-
Proceeds from restricted contributions	1,974,774	972,333
Net cash provided by (used in) financing activities	18,518,056	(187,920)
Net (decrease) increase in cash and cash equivalents	(1,801,520)	9,670,826
Cash and Cash Equivalents, Beginning	24,453,335	14,782,509
Cash and Cash Equivalents, Ending	$ 22,651,815	$ 24,453,335
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	$ 1,533,358	$ 1,390,173
Supplemental Disclocure of Non-Cash Investing and financing activities,		
Capital lease obligation incurred for purchase of equipment	$ 354,500	$ 1,403,570
Accounts payable incurred for capital projects	$ 2,857,941	$ 751,816

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Evangelical Community Hospital (the "Hospital") is a not-for-profit acute care hospital located in Lewisburg, Pennsylvania. The Hospital provides inpatient, outpatient, and emergency care services for residents of its primary service area which includes Lewisburg, Pennsylvania and surrounding communities in Union, Northumberland, and Snyder Counties, Pennsylvania. The Hospital functions as the parent corporation for a group of affiliated organizations related by way of common ownership and/or control. The affiliated organizations consist of Evangelical Medical Services Organization ("EMSO") and Evangelical Community Hospital Pharmacy and Home Care Products, Inc. ("PHCP").

EMSO is operated in connection with and for the benefit of the Hospital. In this capacity, EMSO provides ambulatory healthcare services. The members of EMSO are those individuals who, from time to time, serve as voting members of the Hospital's Board of Directors. In their capacity as members of EMSO, these individuals have the right to, among other things; approve major expenditures, long-term borrowings, and annual operating and capital budgets.

PHCP is a for profit corporation which provides durable medical equipment services. PHCP also provided retail pharmacy services through October 2009. EMSO owns 100% of its outstanding stock.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through December 28, 2011, the date the financial statements were issued.

Basis of Consolidation

The consolidated financial statements include the accounts of the Hospital, EMSO and PHCP (collectively referred to as, the "Corporation"). All significant intercompany transactions and balances have been eliminated in consolidation.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Assets Whose Use is Limited

Assets whose use is limited include assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes; assets set aside by the Board of Directors for the Corporation's deferred compensation plans; assets held by a bond trustee under a trust indenture; and unrestricted contributions set aside by the Board of Directors, over which the Board retains control and may, at its discretion, subsequently use for other purposes. Amounts available to meet current liabilities of the Corporation have been reclassified as current assets in the accompanying consolidated balance sheet.

Accounts Receivable

Accounts receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowances for doubtful collections are estimated based upon a periodic review of the accounts receivable aging, payor classifications, and application of historical write-off percentages.

Inventories of Drugs and Supplies

Inventories of drugs and supplies are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis.

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheet. Investment income or loss (including realized gains and losses on investments, unrealized gains and losses on trading securities, interest, and dividends) is included in the determination of revenues in excess of expenses unless the income or loss is restricted by donor or law. Donor-restricted investment income is reported as an increase in temporarily restricted or permanently restricted net assets depending on the type of restriction.

The Corporation's investments are comprised of a variety of financial instruments and are managed by investment managers. The fair values reported in the consolidated balance sheet are exposed to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying consolidated financial statements could change materially in the near term.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful life of each classification of depreciable asset. Assets under capital lease arrangements are amortized over the shorter of the lease term or the useful life of the asset. Such amortization is included in depreciation expense in the accompanying consolidated statement of operations. Net interest costs incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of those constructed assets.

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

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the term of the debt using the effective interest method. Amortization of deferred financing costs amounted to $79,594 in 2011 and $84,550 in 2010.

Goodwill

Goodwill represents the excess of the amount paid to acquire medical practices over the fair value of the net assets purchased. Goodwill was being amortized using the straight-line method over fifteen years through June 30, 2012. Effective July 1, 2010, the Corporation adopted new guidance related to the accounting for goodwill (Note 2). In accordance with this guidance, goodwill is no longer impaired, but rather evaluated annually for impairment. Amortization of goodwill amounted to $112,169 in 2010.

Other Investments

Other assets include the Corporation's investment in several entities in which the Corporation has a financial interest. Where the Corporation has the ability to influence management or has a twenty percent or more interest in the entity, the investment is recorded at cost, adjusted for the Corporation's proportionate share of their undistributed earnings or losses. All other investments in such entities are recorded at cost.

Impairment of Long-Lived Assets

At each balance sheet date, management evaluates whether any property, equipment, or other long-lived assets have been impaired. The Corporation made no impairment related adjustments to the carrying values of long-lived assets in 2011 and 2010.

Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed using a credit-adjusted interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution income.

Split-Interest Agreements

The Corporation has received as contributions various types of split-interest agreements, including charitable gift annuities, perpetual trusts, and charitable remainder trusts.

Under the terms of numerous charitable gift annuity agreements, the Corporation has recorded the donated assets at their fair value as of the date of each agreement and the liabilities to the donors or their beneficiaries at the present value of the estimated future payments to be paid by the Corporation to such individuals. The amount of the contribution is the difference between the fair value of the donated assets and the related liability and is recorded as unrestricted contributions, unless otherwise restricted by the donor. Included in assets whose use is limited, Board designated unrestricted contributions at June 30, 2011 and 2010 was $1,060,167 and $997,278, respectively, related to these charitable gift annuities. The Corporation's liability related to these charitable gift annuities at June 30, 2011 and 2010 was $713,587 and $765,608, respectively.

Under the terms of several perpetual trust agreements, the Corporation recorded assets and recognized permanently restricted contributions at the fair value of the Corporation's beneficial interest in the perpetual trust assets. Income earned on the trust assets and distributed to the Corporation is recorded as investment income in the accompanying consolidated statement of operations, unless otherwise restricted by the donor. Subsequent changes in fair values are recorded as valuation gain or loss in permanently restricted net assets. The fair value of the Corporation's beneficial interest in such perpetual trust assets was $3,793,267 and $3,199,550 at June 30, 2011 and 2010, respectively.

Under the terms of a charitable remainder trust agreement where the Corporation does not control the assets, the Corporation recorded an asset and recognized a temporarily restricted contribution at the fair value of the Corporation's beneficial interest in charitable remainder trust assets. Subsequent to certain events, the Corporation is entitled to the principal and income remaining in the trust. Subsequent changes in fair value are recorded as a change in value of split-interest agreement in temporarily restricted net assets. The fair value of the Corporation's beneficial interest in such charitable remainder trust assets was $89,845 and $72,235 at June 30, 2011 and 2010, respectively.

Under the terms of a charitable remainder trust agreement where the Corporation does not control the assets, the Corporation recorded an asset and recognized a permanently restricted contribution at the fair value of the Corporation's beneficial interest in charitable remainder trust assets. Subsequent to certain events, the Corporation is entitled to a portion of the principal and income remaining in the trust. Subsequent changes in fair value are recorded as a change in value of split-interest agreement in permanently restricted net assets. The fair value of the Corporation's beneficial interest in such charitable remainder trust assets was $147,613 and $127,467 at June 30, 2011 and 2010, respectively.

Environmental Remediation Liability

The Corporation accrues for losses associated with environmental remediation obligations when such losses are probably and reasonably estimable. Costs of future expenditures for environmental remediation obligations are not discounted to their present value. Recoveries of environmental remediation costs from other parties are recorded as revenue when their receipt is deemed probable.

Endowment Spending Policy

Commonwealth of Pennsylvania law permits the Corporation to allocate to income each year a portion of endowment return. The law allows non-profit organizations to spend a percentage of the market value of their endowment funds, including realized and unrealized gains. The percentage, which by law must be between 2% and 7%, is elected annually by the Board of Directors. The endowment market value is determined based on an average spanning three years. The Corporation's policy for fiscal years 2011 and 2010 allowed for a payout of up to 5% of the three-year average balance, which is based on market value.

Revenues in Excess of Expenses

The consolidated statement of operations includes the determination of revenues in excess of expenses. Changes in unrestricted net assets which are excluded from the determination of revenues in excess of expenses, consistent with industry practice, include postretirement benefit liability adjustment, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and effect of adoption of new accounting standard.

Net Patient Service Revenues

The Corporation has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated 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 and adjusted, as necessary, in future periods as tentative and final settlements are received. It is reasonably possible that the estimates used could change in the near term.

Premium Revenues

The Corporation has agreements with various health maintenance organizations to provide medical services to subscribing participants. Under these agreements, the Corporation receives monthly capitation payments based on the number of participants regardless of services actually performed. Premium revenues are included in net patient service revenues in the accompanying consolidated statement of operations.

Charity Care

The Corporation provides care to patients who meet certain criteria without charge or at amounts less than its established rates. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as net patient service revenues.

Lease Revenue

The Corporation accounts for its real estate leasing activities as operating leases.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated statement of operations.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal income taxes on its exempt income under Section 501(a) of the Internal Revenue Code.

EMSO and PHCP are subject to federal and state income taxes.

The Corporation accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. Management has determined that there were no tax uncertainties that met the recognition threshold in 2011 and 2010.

The Corporation's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses.

The Hospital's federal Return of Organization Exempt from Income Tax (Form 990) for the years ending June 30, 2011, 2010, and 2009, and the federal Exempt Organization Business Income Tax Returns (Form 990-T) for the years ending June 30, 2011, 2010, and 2009 remain subject to examination by the Internal Revenue Service ("IRS").

The federal income tax returns (Form 1120) for EMSO and PHCP for the years ending June 30, 2011, 2010, and 2009 remain subject to examination by the IRS.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs amounted to approximately $503,000 in 2011 and $485,000 in 2010.

Estimated Malpractice Costs

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include investments in highly liquid debt instruments purchased with a maturity of three months or less, excluding assets whose use is limited and long-term investments.

Reclassifications

Certain amounts in the 2010 consolidated financial statements have been reclassified to conform to the current year presentation.

2. New Accounting Standards

Not-for-Profit Entities: Mergers and Acquisitions and Intangible Assets

Effective July 1, 2010, the Corporation adopted guidance issued by the Financial Accounting Standards Board ("FASB") related to mergers and acquisitions of not-for-profit entities. The guidance was issued to update the authoritative guidance surrounding the information that a not-for-profit entity provides in its financial reports about a combination with one or more other not-for-profit entities, businesses, or nonprofit activities. The guidance was also issued to update the authoritative guidance over the recognition and subsequent accounting for goodwill or other intangible assets. Guidance related to mergers and acquisitions is included in Accounting Standards Codification ("ASC") topic 805, "Business Combinations" and guidance related to goodwill and other intangible is found at ASC topic 350, "Intangibles – goodwill and other." The guidance requires prospective application.

The guidance found in ASC 805 was applicable to a business combination the Corporation recorded during 2011 (Note 25). The adoption of this guidance had no impact on revenues in excess of expenses during 2011.

The difference between the carrying amount and fair value of the net assets of a reporting unit, as defined, at the date of implementation has been recognized as a change in unrestricted net assets in the accompanying consolidated statements of operations and changes in net assets. Based upon management's assessment upon implementation, such differences reduced unrestricted net assets by $245,759 at July 1, 2010. This represents the net carrying value of goodwill at the date of implementation, which management deemed impaired (i.e. the carrying amount exceeded fair value). If such guidance had not been adopted, other assets and unrestricted net assets would have been increased by $32,335, amortization expense would have been increased by $213,424, revenue in excess of expenses would have been decreased by $213,424, and effect of adoption of accounting standards would have decreased by $245,759.

Charity Care

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

Provision for Doubtful Collections

The Corporation will be required to adopt amended guidance related to health care entities which requires a change in reporting the provision for bad debts associated with net patient service revenues. As a result of this guidance, the provision, which is currently reported as an operating expense in the Corporation's statement of operations, will be reported as a deduction from patient service revenues, net of contractual allowances and discounts. The guidance also enhances required disclosures regarding the policies for recognizing net patient service revenues and assessing bad debts. In addition, the guidance requires disclosures of net patient service revenues and qualitative and quantitative information about changes in the allowance for doubtful accounts, both by major payor sources. The amended guidance is effective for fiscal years and interim periods beginning after December 15, 2011. Adoption of the amended guidance will require retrospective restatement of the statement of operations and prospective financial statement disclosures. The Corporation has not completed the process of evaluating the impact of this amended guidance on its consolidated financial statements.

Insurance Claims

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

3. Net Patient Service Revenues

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. A significant portion of the Corporation's net patient service revenues is derived from these third-party payor programs. A summary of the principal payment arrangements with major third-party payors follows:

- Medicare: Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. The Corporation is reimbursed for cost reimbursable expenditures at tentative interim rates, with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicare fiscal intermediary. The Corporation's Medicare cost reports have been settled by the Medicare fiscal intermediary through June 30, 2009.

- Medical Assistance: Inpatient acute care services rendered to Medical Assistance program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are paid based on a published fee schedule.

- Capital Blue Cross: Inpatient services rendered to Capital Blue Cross subscribers are reimbursed at prospectively determined rates per case. Outpatient services are paid based on a percentage of established Corporation rates. Prior to July 1, 2006, the Corporation was tentatively reimbursed on an interim basis at other than contract rates with final settlement subsequently determined based on an analysis of actual claims. The Corporation's Capital Blue Cross contract has been settled through June 30, 2010.

- Highmark Blue Shield: Inpatient services rendered to Highmark Blue Shield subscribers are reimbursed at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are paid based on a percentage of established Corporation rates.

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

Revenues received under certain third-party arrangements are subject to audit and retroactive adjustment. Net patient service revenues were increased by approximately $33,000 in 2011 and $42,000 in 2010 as a result of adjustments related to tentative and final settlements of prior year cost reports and other settlements.

4. Charity Care and Community Support

The Corporation maintains records to identify and monitor the level of charity care and community support it provides. These records include the amount of charges foregone for services rendered and supplies furnished for which payment was not received unreimbursed costs, and other community support. The Corporation's charity care and community support amounted to approximately $22,991,000 in 2011 and $22,336,000 in 2010.

5. Investments

Assets Whose Use is Limited

The composition of assets whose use is limited ("AWUIL") at June 30, 2011 and 2010 is set forth in the following table:

	2011	2010
By Board for future capital improvements:		
Cash and cash equivalents	$ 4,861,395	$ 5,364,268
Marketable equity securities:		
Domestic:		
Information technology	2,941,298	2,482,821
Financials	1,822,666	2,217,932
Industrial	1,507,056	1,303,348
Consumer discretionary	2,054,803	1,257,457
Energy	1,390,255	1,251,125
Healthcare	4,417,628	-
Other	1,245,253	3,315,819
International developed	700,259	426,601
Mutual funds		
Fixed income funds - corporate	5,801,063	6,234,896
Fixed income funds - mortgage backed	4,565,751	4,042,736
Fixed income funds - treasury and government related	1,010,591	3,138,475
Fixed income funds - other	16,592,850	14,618,559
Equity funds	8,028,255	4,578,533
Cash surrender value of life insurance policies	703,676	668,491
Other	142,690	159,416
Total	$ 57,785,489	$ 51,060,477

	2011	2010
Internally designated for deferred compensation plans:		
Cash and cash equivalents	$ 32,801	$ 61,102
Cash surrender value of life insurance policies	6,499,478	5,041,557
Mutual funds - fixed income funds	1,759,389	1,282,932
Total	$ 8,291,668	$ 6,385,591
Under trust indenture, held by trustee (Note 9):		
Cash and cash equivalents	$ 20,679,370	$ 2,549,470
Other	227	18
Total	20,679,597	2,549,488
Less funds held by trustee available to meet current liabilities	801,116	795,970
Noncurrent portion of funds held by trustee	$ 19,878,481	$ 1,753,518
Board-designated unrestricted contributions:		
Cash and cash equivalents	$ 40,971	$ 1,304,937
Mutual funds:		
Equity funds	1,953,961	598,158
Fixed income funds	354,178	362,003
Total	$ 2,349,110	$ 2,265,098

Long-Term Investments

The composition of long-term investments at June 30, 2011 and 2010 is set forth in the following table:

	2011	2010
Cash and cash equivalents	$ 836,195	$ 225,893
Marketable equity securities - domestic other	154,980	102,597
Corporate debt securities	124,160	16,239
Mutual funds:		
Equity funds	315,318	339,938
Fixed income funds	-	245,843
Other	-	1,399
Total	$ 1,430,653	$ 931,909

Investment Income

Unrestricted investment income, gains, and losses for assets whose use is limited, cash and cash equivalents and long-term investments, net of spending policy, are comprised of the following in 2011 and 2010:

	2011	2010
Investment income:		
Other revenues:		
Interest and dividend income	$ 920,962	$ 35,708
Realized gains on sales of securities	10,404	364,627
Unrealized gains (losses) on trading securities	172,667	(11,581)
Total other revenues	1,104,033	388,754
Other income:		
Interest and dividend income	2,156,060	1,755,177
Realized gains on sales of securities	1,583,303	710,055
Unrealized gains on trading securities	3,959,875	1,616,199
Investment fees	(300,102)	(273,295)
Total other income	7,399,136	3,808,136
Total	$ 8,503,169	$ 4,196,890

6. Fair Value Measurements and Financial Instruments

Fair Value Measurements

The Corporation measures its trading securities, beneficial interest in perpetual trusts, and beneficial interest in charitable remainder trusts on a recurring basis at fair value in accordance with generally accepted accounting principles.

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework established for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the Corporation for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 – Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3 – Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

These financial instruments were measured using the following inputs at June 30, 2011 and 2010:

	2011			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments and AWUIL:				
Cash and cash equivalents	$ 26,450,732	$ 26,450,732	$ -	$ -
Marketable equity securities.				
Domestic.				
Information technology	2,941,298	2,941,298	-	-
Financials	1,822,666	1,822,666	-	-
Industrial	1,507,056	1,507,056	-	-
Consumer discretionary	2,054,803	2,054,803	-	-
Energy	1,390,255	1,390,255	-	-
Healthcare	4,417,628	4,417,628	-	-
Other	1,400,233	1,400,233	-	-
International developed	700,259	700,259		
Corporate debt securities	124,160	-	124,160	-
Mutual funds:				
Fixed Income funds – corporate	5,801,063	5,801,063	-	-
Fixed income funds – mortgage backed	4,565,751	4,565,751	-	-
Fixed income funds – treasury and government related	1,010,591	1,010,591	-	-
Fixed income funds – other	18,706,417	18,706,417	-	-
Equity funds	10,297,534	10,297,534	-	-
Other	142,917	-	142,917	-
Total	83,333,363	83,066,286	267,077	-
Beneficial interest in perpetual trusts	3,793,267	-	-	3,793,267
Beneficial interest in charitable remainder trusts	237,458	-	-	237,458
Total	$ 87,364,088	$ 83,066,286	$ 267,077	$ 4,030,725

	2010			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments and AWUIL:				
Cash and cash equivalents	$ 9,505,670	$ 9,505,670	$ -	$ -
Marketable equity securities:				
Domestic:				
Information technology	2,482,821	2,482,821	-	-
Financials	2,217,932	2,217,932	-	-
Industrial	1,303,348	1,303,348	-	-
Consumer discretionary	1,257,457	1,257,457	-	-
Energy	1,251,125	1,251,125	-	-
Other	3,418,416	3,418,416	-	-
International developed	426,601	426,601	-	-
Corporate debt securities	16,239	-	16,239	-
Mutual funds:				
Fixed Income funds – corporate	6,234,896	6,234,896	-	-
Fixed income funds – mortgage backed	4,042,736	4,042,736	-	-
Fixed income funds – treasury and government related	3,138,475	3,138,475	-	-
Fixed income funds – other	16,509,338	16,509,338	-	-
Equity funds	5,516,628	5,516,628	-	-
Other	160,833	-	160,833	-
Total	57,482,515	57,305,443	177,072	-
Beneficial interest in perpetual trusts	3,199,550	-	-	3,199,550
Beneficial interest in charitable remainder trusts	199,702	-	-	199,702
Total	$ 60,881,767	$ 57,305,443	$ 177,072	$ 3,399,252

Investments also include $7,203,154 and $5,710,048 at June 30, 2011 and 2010 of cash surrender value of life insurance policies. These are excluded from the fair value hierarchy because they are recorded at contract value.

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the Corporation's beneficial interest in perpetual trusts:

Balance at June 30, 2009	$ 2,875,156
Valuation gain	324,394
Balance at June 30, 2010	3,199,550
Valuation gain	593,717
Balance at June 30, 2011	$ 3,793,267

The following is a reconciliation of the beginning and ending balances of the fair value measurements of the Corporation's beneficial interest in charitable remainder trusts:

Balance at June 30, 2009	$	187,698
Change in value of split-interest agreement		12,004
Balance at June 30, 2010		199,702
Contribution		8,500
Change in value of split-interest agreement		29,256
Balance at June 30, 2011	$	237,458

Financial Instruments

The carrying amounts reported in the accompanying balance sheet for cash and cash equivalents, accounts receivable, accounts payable, estimated third-party payor settlements and Blue Cross current financing advance approximate their related fair values due to the short-term nature of these instruments. The carrying value of pledges receivable, net approximates estimated fair value based on future cash flows discounted at a rate of 4%.

Mutual funds and marketable equity securities are valued at fair value based upon quoted market prices in active markets for those securities, which are considered level 1 inputs. Corporate debt securities and certificates of deposits are valued at fair value based upon quoted prices for similar securities, which are considered level 2 inputs.

Cash surrender value of life insurance policies are recorded at contract value, which approximates fair value. The value is based upon quoted prices of the underlying investments in mutual funds held by the policy contract issuer.

The beneficial interests in perpetual trusts and charitable remainder trusts are valued at fair value using the Corporation's percentage interest in trust income applied to the fair value of the underlying assets, which approximates the present value of estimated future cash flows to be received from the trusts.

The carrying amount of hospital revenue bonds approximates fair value at June 30, 2011 and 2010 based on borrowing rates available to the Corporation for debt with similar terms, maturity, and credit risk.

7. Property and Equipment

Property and equipment and accumulated depreciation as of June 30, 2011 and 2010, are as follows:

	2011	2010
Land and land improvements	$ 7,339,306	$ 6,529,853
Buildings	70,203,750	69,539,159
Fixed equipment	23,216,218	23,185,899
Movable equipment	48,976,962	43,726,055
Leasehold improvements	341,624	303,869
Construction in progress	18,048,333	6,415,528
Total	168,126,193	149,700,363
Less accumulated depreciation and amortization	80,971,962	74,694,795
Property and equipment, net	$ 87,154,231	$ 75,005,568

The Corporation has entered into capital lease agreements for the purchase of certain equipment. The net book value of this equipment is included in the above total. The cost of this equipment was $1,904,313 at June 30, 2011 and $1,403,570 at June 30, 2010 and accumulated amortization totaled $307,770 at June 30, 2011 and $17,500 at June 30, 2010.

8. Deferred Financing Costs and Other Assets

Deferred financing costs and other assets and related accumulated amortization as of June 30, 2011 and 2010 consist of the following:

	2011	2010
Deferred financing costs:		
Cost	$ 1,992,193	$ 1,464,417
Less accumulated amortization	379,258	357,140
Net	1,612,935	1,107,277
Other investments:		
Evangelical Ambulatory Surgical Center, LLC	852,085	907,003
Community Hospital Alternative For Risk Transfer	758,614	190,500
Central Susquehanna Healthcare Providers, Inc.	165,623	173,700
Total	1,776,322	1,271,203
Deferred financing costs and other assets, net	$ 3,389,257	$ 2,378,480

The Corporation held a 30% ownership interest in Lewisburg Cancer Center, LLC. Effective February 28, 2011, the ownership interest was terminated as a result of recurring operating losses.

9. Hospital Revenue Bonds

A summary of hospital revenue bonds as of June 30, 2011 and 2010 is as follows:

	2011	2010
Series 2011 Hospital Revenue Bonds due in varying annual installments through August 1, 2041, plus interest at rates ranging from 2.55% to 7.00%	$ 30,235,000	$ -
Series 2004 Hospital Revenue Bonds due in varying annual installments through August 1, 2034, plus interest at rates ranging from 3.40% to 5.25%	21,520,000	21,905,000
Series 2009 Hospital Revenue Bonds, refinanced in 2011	-	12,040,000
Total	51,755,000	33,945,000
Less current maturities	1,760,000	1,180,000
Long-term debt	$ 49,995,000	$ 32,765,000

The scheduled principal repayments as of June 30, 2011 are as follows:

Years ending June 30:	
2011	$ 1,760,000
2012	,1660,000
2013	1,715,000
2014	1,785,000
2015	1,855,000
Thereafter	42,980,000
Total	$ 51,755,000

In March 2011, the Union County Hospital Authority (the "Authority") issued $30,235,000 of tax-exempt hospital revenue bonds (the "2011 Bonds") on behalf of the Hospital. The proceeds of the 2011 Bonds were used to fund certain construction and renovation projects, advance refund the then outstanding 2009 Bonds, establish a debt service reserve fund, and pay the costs of issuance of the 2011 Bonds.

In August 2004, the Authority issued $23,660,000 of tax-exempt hospital revenue bonds (the "2004 Bonds") on behalf of the Hospital. The proceeds of the 2004 Bonds were used to fund certain construction and renovation projects, advance refund the then outstanding 1993A Bonds, establish a debt service reserve fund, and pay the costs of issuance of the 2004 Bonds.

The Hospital is obligated for annual payments under the Supplemental Loan Agreement for the 2011 Bonds and the Second Supplemental Loan Agreement for the 2004 Bonds (collectively, the "Agreements") to meet the Authority's annual principal and interest payments due on the 2011 Bonds and the 2004 Bonds (collectively, the "Bonds"). To secure the required loan payments, the Hospital has granted the Authority a security interest in and first lien on its Gross Revenues; as such term is defined in the Agreements. Further, a trustee for the Authority holds certain funds for the benefit of the holders of the Bonds. Such funds are included with assets whose use is limited in the accompanying consolidated balance sheet. The Agreements also place limits on the incurrence of additional borrowings and the transfer of funds to affiliates as long as the Bonds are outstanding.

The Hospital has covenanted to establish and collect rates and charges for services which will be sufficient in each year to provide Net Revenues Available for Debt Service at least equal to 110% of the maximum annual debt service requirements on all long-term indebtedness of the Hospital. Net Revenues Available for Debt Service, as defined in the Agreements, is, generally, the sum of revenues in excess of expenses, depreciation, interest, amortization, and other non-cash expenses. The Hospital has also covenanted to maintain, semi-annually on June 30th and December 31st, a minimum of sixty Days Cash on Hand, as such term is defined in the Agreements.

10. Obligations Under Capital Leases

The Corporation entered into equipment leases under agreements classified as a capital lease during 2011 and 2010. The following is a schedule of the future minimum lease payments under the capital lease, together with the present value of the net monthly lease payments, as of June 30, 2011:

2012	$ 445,704
2013	445,704
2014	383,008
2015	69,528
2016	69,528
Thereafter	75,322
Total minimum lease payments	1,488,794
Less amount representing interest	155,948
Present value of net minimum lease payments	$ 1,332,846

The interest rate on the capitalized lease is imputed based on the lower of the Corporation's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

The present value of the net minimum lease payments under capital leases at June 30, 2011 has been classified in the accompanying consolidated balance sheet as follows:

Current maturities of obligations under capital leases	$ 385,570
Long-term debt	947,256
Total	$ 1,332,826

11. Accrued Expenses

Accrued expenses at June 30, 2011 and 2010 are summarized as follows:

	2011	2010
Paid time off	$ 4,000,539	$ 3,578,006
Salaries and wages	1,973,176	3,793,837
Interest	986,591	439,629
Employee health and dental insurance coverage	940,000	1,040,000
Retirement plan	520,430	492,862
Other	287,727	296,740
Workers' compensation	170,000	380,000
Total	$ 8,878,463	$ 10,021,074

12. Retirement Plan

The Corporation maintains a defined contribution retirement plan covering substantially all employees which incorporates the tax-deferred salary provisions of Section 401(k) of the Internal Revenue Code. The Corporation's expense relating to this plan amounted to approximately $1,642,000 in 2011 and $1,540,000 in 2010.

13. Deferred Compensation Plans

The Corporation maintains nonqualified deferred compensation arrangements for certain employees. Benefits payable under the terms of these arrangements are measured and accrued during the years they are earned. The Corporation funds a portion of its obligation with the trustees for the plans. Included in assets whose use is limited is $8,291,668 and $6,385,591 related to these plans at June 30, 2011 and 2010, respectively. The Corporation's obligation related to these plans amounted to $10,615,478 and $8,699,089 at June 30, 2011 and 2010, respectively.

14. Postretirement Benefit Plan

The Corporation sponsors a defined benefit postretirement healthcare plan that provides postretirement medical benefits to employees who, as of June 30, 1992, had worked five years and were eligible to receive pension benefits from the Corporation's pension plan upon attainment of age 65. Effective July 1, 1992, the plan contains cost-sharing features which are determined based upon years of service of the participants. The Corporation's policy is to fund the cost of the plan in amounts equal to the Corporation's share of medical benefit costs.

The following table sets forth the change in benefit obligation, the fair value of plan assets, and the amounts recognized in the balance sheet at June 30, 2011 and 2010:

	2011	2010
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 5,192,589	$ 4,320,375
Service cost	103,946	85,823
Interest cost	280,066	276,240
Plan participants' contributions	182,826	218,925
Plan amendments	61,681	-
Actuarial loss (gain)	21,199	750,823
Benefits paid	(447,752)	(459,597)
Benefit obligation, end of year	5,394,555	5,192,589
Change in plan assets:		
Fair value of plan assets, beginning of year	-	-
Employer contribution	264,926	240,672
Plan participants' contributions	182,826	218,925
Benefits paid	(447,752)	(459,597)
Fair value of plan assets, end of year	-	-
Funded status at end of year	$ (5,394,555)	$ (5,192,589)
Benefit obligation, end of year	$ 5,394,555	$ 5,192,589
Reconciliation of amounts recognized in the balance sheet:		
Current portion of accrued postretirement benefit costs	$ 284,675	$ 261,377
Accrued postretirement benefit costs	5,109,880	4,931,212
Total	$ 5,394,555	$ 5,192,589

The following table sets forth the components of net periodic pension cost in 2011 and 2010:

	2011	2010
Service cost	$ 103,946	$ 85,823
Interest cost	280,066	276,240
Amortization of transition (asset) obligation	(108,228)	(110,444)
Amortization of prior service cost	-	(23,305)
Net periodic benefit cost	$ 275,784	$ 228,314

The Corporation's contribution to the plan in 2011 is expected to be approximately $285,000.

The measurement date used to determine the plan asset and benefit obligation information was June 30.

The previously unrecognized components of net periodic postretirement benefits cost included in unrestricted net assets at June 30, 2011 and 2010 are as follows:

	2011	2010
Net actuarial gain	$ 268,150	$ 289,349
Prior service cost	1,329,927	1,499,836
Total	$ 1,598,077	$ 1,789,185

Estimated amortization of prior service cost of $108,000 is expected to be recognized in net periodic postretirement benefit cost in 2012.

The weighted-average assumptions used in computing the benefit obligation at June 30, 2011 and 2010 are as follows:

	2011	2010
Discount rate	5.25 %	5.25 %
Rate of compensation increase	N/A	N/A

The weighted-average assumptions used in the measurement of net periodic postretirement benefit cost for the years ended June 30, 2011 and 2010 are as follows:

	2011	2010
Discount rate	5.25 %	6.25 %
Expected long-term return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A

Assumed healthcare costs trend rates at June 30, 2011 and 2010 are as follows:

	2011	2010
Health care cost trend rate assumed for next year	8.00 %	9.00 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00 %	5 00 %
Year that the rate reaches the ultimate trend rate	2014	2014

The healthcare cost trends were calculated based upon the Corporation's recent history of health insurance costs and projections of future increases of insurance benefits. The Corporation expects these trends in health insurance costs to continue throughout the period that the postretirement benefits are available to eligible employees. However, because of the inherent uncertainties in estimating these costs, it is at least reasonably possible that the estimates used will change in the near term.

The effects of a 1% increase or decrease in the assumed health care cost trend rates for 2011 and 2010 are as follows:

	2011	2010
1% Increase:		
Effect on total service and interest cost components	$ 57,732	$ 49,941
Effect on accumulated postretirement benefit obligation	636,231	687,548
1% Decrease:		
Effect on total service and interest cost components	(47,787)	(41,756)
Effect on accumulated postretirement benefit obligation	(543,788)	(578,076)

The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid:

Years ending June 30:	
2012	$ 285,000
2013	301,000
2014	311,000
2015	381,000
2016	396,000
2017-2021	2,257,000

15. Temporarily and Permanently Restricted Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2011 and 2010:

	2011	2010
Purchases of property and equipment	$ 1,380,892	$ 1,210,532
Other	315,443	172,747
Bio-terrorism preparedness	-	18,171
Total	$ 1,696,335	$ 1,401,450

The Corporation released $1,821,973 in 2011 and $923,037 in 2010 of temporarily restricted net assets since the donors' restrictions had been met

Permanently Restricted Net Assets

Permanently restricted net assets consist of permanent endowment funds held by the Corporation in perpetuity; the Corporation's beneficial interest in several perpetual trusts held by banks serving as trustee; and the Corporation's permanently restricted beneficial interest in a charitable remainder trust held by a third-party trustee. The terms of the perpetual trusts are such that the Corporation receives a portion of the income earned on the trust assets as earned in perpetuity. The terms of the charitable remainder trust are such that subsequent to certain events, the Corporation is entitled to a portion of the principal and income remaining in the trust. Trust assets consist primarily of marketable equity securities, debt securities, mutual funds, and cash equivalents and are recorded at their fair values as of June 30, 2011 and 2010 as follows:

	2011	2010
Permanent endowment funds, the income from which is expendable to support various healthcare services and provide nursing scholarships (reported as investment income)	$ 1,246,585	$ 844,645
Beneficial interest in perpetual trusts, the income from which is expendable to support healthcare services (reported as investment income)	3,793,267	3,199,550
Beneficial interest in charitable remainder trust, to be added to the Corporation's general endowment fund upon distribution	147,611	127,467
Total	$ 5,187,463	$ 4,171,662

16. Endowment Funds

The Corporation's endowment consists of 8 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Corporation has interpreted Pennsylvania law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as either temporarily restricted or unrestricted net assets based on the existence of donor restrictions or by law.

The Corporation considers the following factors in the making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the Corporation and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Corporation

(7) The investment policies of the Corporation

The Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Corporation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the performance results of Callan's median Balanced Fund database or a weighted index comprised of 35% S&P 500; 5% Russell 2000; 10% MSCI EAFE; 35% Barclays Capital Aggregate; 10% S&P 500 Alternatives; and 5% 90 day T-bills while assuming a moderate level of investment risk. The Corporation expects its endowment funds, over time, to provide an average rate of return of approximately 7 percent annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Corporation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Corporation has a policy of appropriating for distribution each year 5 percent of its endowment funds' average fair value over the prior 12 quarters through the calendar year-end proceeding the fiscal year in which the distribution is planned. In establishing this policy, the Corporation considered the long-term expected return on its endowment. Accordingly, over the long term, the Corporation expects the current spending policy to allow its endowment to grow at an average rate of 4 percent annually. This is consistent with the Corporation's objective to maintain the purchasing power of the endowment assets in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of June 30, 2011 consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (13,564)	$ 197,632	$ 1,246,585	$ 1,430,653
Board-designated endowment funds	232,870	-	-	232,870
Total endowment funds	$ 219,306	$ 197,632	$ 1,246,585	$ 1,663,523

Changes in endowment net assets for the year ended June 30, 2011 consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 202,770	$ 113,051	$ 844,645	$ 1,160,466
Investment return:				
Investment income	1,800	93,013	22,100	116,913
Net (depreciation) appreciation (realized and unrealized)	14,736	42,620	-	57,356
Total investment return	16,536	135,633	22,100	174,269
Contributions	-	-	379,840	379,840
Appropriation of endowment assets for expenditure	-	(51,052)	-	(51,052)
	$ 219,306	$ 197,632	$ 1,246,585	$ 1,663,523

Endowment net asset composition by type of fund as of June 30, 2010 consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (25,788)	$ 113,051	$ 844,645	$ 931,908
Board-designated endowment funds	228,558	-	-	228,558
Total endowment funds	$ 202,770	$ 113,051	$ 844,645	$ 1,160,466

Changes in endowment net assets for the year ended June 30, 2010 consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 197,143	$ 68,395	$ 721,186	$ 986,724
Investment return:				
Investment income	2,319	12,500	448	15,267
Net (depreciation) appreciation (realized and unrealized)	3,308	67,474	-	70,782
Total investment return	5,627	79,974	448	86,049
Contributions	-	-	123,011	123,011
Appropriation of endowment assets for expenditure	-	(35,318)	-	(35,318)
	$ 202,770	$ 113,051	$ 844,645	$ 1,160,466

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or law requires the Corporation to retain as a fund of perpetual duration. In accordance with accounting principles accepted in the United States of America, deficiencies of this nature that are reported in unrestricted net assets were $13,564 as of June 30, 2011 and $25,788 as of June 30, 2010. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

17. Pledges Receivable

Capital pledge campaigns have been undertaken to raise funds in connection with various construction and renovation projects at the Corporation. Pledges related to these campaigns have been recorded as temporarily restricted contributions.

Pledges receivable are recorded as follows as of June 30, 2011 and 2010:

	2011	2010
Capital campaign pledges before unamortized discount and allowance for uncollectible pledges	$ 1,480,067	$ 1,182,864
Less unamortized discount	36,937	34,330
Total	1,443,130	1,148,534
Less allowance for uncollectible pledges	157,907	121,586
Net unconditional promises to give	$ 1,285,223	$ 1,026,948
Amounts due in:		
Less than one year	$ 412,980	$ 191,111
One to five years	1,067,087	991,753
Total	$ 1,480,067	$ 1,182,864

The net present value of these cash flows was determined using a discount rate of 4% to account for the time value of money for 2011 and 2010.

18. Medical Malpractice Claims Coverage

At June 30, 2011, the Corporation's medical malpractice insurance coverages are provided under the provisions of four insurance arrangements, as follows:

Primary coverage – Primary coverage is provided under the terms of an insurance contract which covers losses, if any, which are reported during the period the contract is in force, "claims-made coverage," subject to the per occurrence and aggregate limits of such contract.

MCARE Fund coverage – The Pennsylvania Medical Care Availability and Reduction of Error Fund ("MCARE Fund") provides excess coverage per the Pennsylvania law governing the MCARE Fund. Pursuant to the per occurrence and aggregate limits set forth in the controlling Pennsylvania statutes, the MCARE Fund provides coverage for losses in excess of the primary coverage that was in effect on the date of the incident. The cost of MCARE Fund coverage is recognized as expense in the period incurred. Increases in annual surcharges and concerns over the MCARE Fund's ability to manage and pay claims continue to result in proposals to reform or restructure the MCARE Fund. MCARE Fund coverage is currently scheduled to be reduced, unless the State Insurance Commissioner determines that additional primary insurance capacity is not available at that time, and to be eliminated in 2012. The Corporation will be required to purchase additional primary insurance to take the place of the MCARE Fund coverage if it is reduced. Depending upon the ultimate resolution of this matter, the Corporation may incur additional insurance costs.

Umbrella coverage – The Corporation has an umbrella liability insurance contract which insures against losses in excess of the primary or MCARE coverage reported during the period of policy coverage.

Excess coverage – The Corporation has an excess liability insurance contract, which insures against losses in excess of the above coverages reported during the period of policy coverage.

The above primary, umbrella, and excess coverages are provided by Community Hospital Alternative for Risk Transfer ("CHART"). CHART has been formed as a reciprocal risk retention group to provide liability insurance, reinsurance, and risk management services for its subscribers. Effective May 1, 2002, the Corporation became a subscriber in CHART. The Corporation invested $758,614 at June 30, 2011 and $190,500 at June 30, 2010 in CHART and this investment is included in other assets in the accompanying consolidated balance sheet. This investment is accounted for using the cost method since the Corporation's ownership interest is less than twenty percent.

A portion of the annual primary coverage premium is retrospectively determined based on the actual costs incurred by CHART on behalf of the Corporation. As of June 30, 2011, premiums totaling $658,318 are subject to retrospective determination. The Corporation can be assessed additional premiums up to this amount. The obligation to pay additional premiums is secured by an Irrevocable Letter of Credit of $90,204 and amounts held in the Corporation's Surplus Capital Account, as defined in the CHART Subscriber Agreement. Unused premiums are refundable to the Corporation.

At June 30, 2011, the Corporation cannot determine the amount of any additional premiums it may be assessed nor any premium refunds it may ultimately be entitled to and has, therefore, expensed the billed premiums ratably over the term of the policy.

The Corporations' estimated future payments of its unasserted medical malpractice claims liability was $809,884 and $926,591 at June 30, 2011 and 2010, respectively, using a 3% discount rate.

The Corporation believes it has adequate insurance coverages for all asserted claims and it has no knowledge of unasserted claims, which would exceed its insurance coverages.

19. Self-Funded Insurance Plans

The Corporation self-insures its employee health and dental insurance coverages. The Corporation has accrued the estimated cost of incurred and reported and incurred but not reported claims based upon data provided by the third-party administrators of the program, its historical claims experience, and its individual medical stop-loss insurance coverage. There is no aggregate stop loss insurance coverage.

The Corporation maintains a self-funded plan for workers' compensation insurance costs. The Corporation has accrued the estimated cost of incurred and reported and incurred but not reported claims based upon data provided by the third-party administrator of the program, its historical claims experience, and the terms of its excess workers' compensation insurance policy. Under the terms of this policy, the Corporation is subject to a maximum retention of $350,000 per occurrence and a per occurrence and aggregate policy limit of $1,000,000. The Corporation also maintains a $700,000 surety bond to secure its future obligations under the terms of this self-insurance program.

20. Concentrations of Credit Risk

The Corporation grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements, primarily with Medicare, Medical Assistance, Capital Blue Cross, Highmark Blue Shield, and various commercial insurance companies. The Corporation maintains allowances for potential credit losses and such losses have historically been within management's expectations.

The Corporation maintains its cash and cash equivalent balances with various financial institutions. Total cash balances in each financial institution are insured up to $250,000.

21. Future Rentals

The following is a schedule by year of the annual minimum future rentals due the Corporation under the terms of noncancelable operating leases as of June 30, 2011:

Years ending June 30:	
2012	$ 686,118
2013	400,931
2014	299,226
2015	166,371
2016	21,996
Thereafter	502,908
Total	$ 2,077,550

The Corporation expects to renew and/or lease space at the expiration of operating leases in effect as of June 30, 2011.

22. Commitments

Operating Leases

The Corporation leases certain real estate and equipment under the terms of noncancelable operating leases.

The following is a schedule by year of the future minimum payments required under operating leases as of June 30, 2011:

Years ending June 30:	
2012	$ 574,480
2013	378,603
2014	311,612
2015	307,537
2016	204,537
Thereafter	424,998
Total	$ 2,201,767

Rent expense amounted to approximately $1,160,000 in 2011 and $1,189,000 in 2010.

Construction Contract Commitments

The Corporation entered into agreements with certain construction contractors in connection with its surgical and cardiovascular expansion project. As of June 30, 2011, unexpected commitments related to this project were approximately $25,300,000.

23. Contingencies

Healthcare Industry

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Corporation, if any, are not presently determinable.

Asbestos Removal

The Corporation's facilities, a portion of which were constructed prior to the passage of the Clean Air Act, contain encapsulated asbestos material. Current law requires that this asbestos be removed in an environmentally safe fashion prior to the demolition and renovation of the facilities. At this time, the Corporation has no plans to demolish or renovate its facilities that contain encapsulated asbestos material, and as such, cannot reasonably estimate the fair value of the liability for such asbestos removal. If plans change with respect to the use of its facilities and information becomes available to estimate such a liability, it will be recognized at that time.

24. Functional Expenses

The Corporation provides general acute care and related services to individuals within its geographic region. Expenses related to providing these services in 2011 and 2010 are approximately as follows (In thousands):

	2011	2010
Healthcare and other related services	$ 117,351	$ 112,980
General and administrative	17,886	18,118
Fundraising	628	384
Total expenses	$ 135,865	$ 131,482

25. Business Combination

Effective January 2011, the Corporation acquired the assets of Old Trail Imaging LLC ("OTI"), an organization that operates a diagnostic imaging center, in a business combination accounted for as an acquisition. Under the terms of the Asset Purchase Agreement (the "Agreement"), the Hospital purchased equipment and goodwill from OTI at a purchase price of $2,260,000. From this purchase price, the Corporation recorded goodwill of $1,785,940 in 2011.

26. Subsequent Events

Environmental Remediation Liability

On September 12, 2011, during excavation work in the Corporation parking lot, it was discovered that substantial amounts of oil had leaked into the surrounding soil from an underground oil tank. The Corporation worked with its construction manager to evaluate the technological, regulatory, and legal factors involved. As of October 21, 2011, the oil tank and the contaminated soil were completely removed and the soil decontaminated. Based on the construction manager's findings, the Corporation's total estimated environmental expenditures will be approximately $1,329,000. The Corporation has accrued the total as an operating expense in the current year. The Corporation expects decontamination and remediation to be substantially completed within one year.

The Corporation expects to incur future monitoring costs related to this environmental issue; however, since it is not practical to reasonably estimate such costs or the length of time that such costs will be required, the Corporation will expense them as incurred.

The Corporation was in the process of evaluating its existing insurance coverage at year-end. Subsequent to June 30, 2011, the Corporation purchased an insurance policy that provides coverage for such events, subject to a $25,000 deductible. A claim was submitted to the insurance company in November 2011; however, the claim has not yet been approved for payment by the insurance company. Payment of the claim is currently pending insurance company due diligence regarding prior knowledge of the underground storage tank by Corporation management. Due to the uncertainty surrounding insurance reimbursement related to this environmental liability, insurance proceeds, if any, will be recorded as income when received.

Financial Market Volatility

Subsequent to December 31, 2010, events in financial markets have led to significant declines in the fair value of investment securities. As a result, the fair value of the Corporation's investment securities has been subject to price volatility and short-term liquidity risks which may affect future investment valuation. Accordingly, the value of the Corporation's investments could be materially and adversely affected.

ParenteBeard

Independent Auditors' Report on Supplementary Information

Board of Directors
Evangelical Community Hospital

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 41 through 48 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and changes in net assets of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

ParenteBeard LLC

Williamsport, Pennsylvania
December 28, 2011

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2011

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Assets					
Current Assets					
Cash and cash equivalents	$ 21,461,374	$ 837,684	$ 352,757	$ -	$ 22,651,815
Assets whose use is limited under trust indenture, held by trustee	801,116	-	-	-	801,116
Accounts receivable					
Patients (net of estimated allowance for doubtful collections of ($4,882,000)	10,018,255	-	873,435	-	10,891,690
Other (net of estimated allowance for doubtful collections of $37,000)	822,499	168,012	110,050	-	1,100,561
Affiliates	151,667	-	-	(151,667)	-
Current portion of note receivable	107,316	-	-		107,316
Inventories of drugs and supplies	2,792,321	98,161	90,036	-	2,980,518
Prepaid expenses and other current assets	2,136,929	12,234	193,584	-	2,342,747
Total current assets	38,291,477	1,116,091	1,619,862	(151,667)	40,875,763
Assets Whose Use Is Limited					
By Board for future capital improvements	57,785,489	-	-	-	57,785,489
Internally designed for deferred compensation plans	1,530,600	-	6,761,068	-	8,291,668
Under trust indenture, held by trustee	19,878,481	-	-	-	19,878,481
Board-designated unrestricted contributions	2,349,110	-	-	-	2,349,110
Long-Term Investments	1,430,653	-	-	-	1,430,653
Beneficial Interest in Perpetual Trusts	3,793,267	-	-	-	3,793,267
Beneficial Interest in Charitable Remainder Trusts	237,458	-	-	-	237,458
Pledges Receivable, Net	1,285,223	-	-	-	1,285,223
Note Receivable	1,462,091	-	-	-	1,462,091
Property and Equipment, Net	86,031,508	876,326	246,397	-	87,154,231
Goodwill	1,785,941	-	270,043	-	2,055,984
Deferred Financing Costs and Other Assets, Net	3,389,257	-	-	-	3,389,257
Total assets	$ 219,250,555	$ 1,992,417	$ 8,897,370	$ (151,667)	$ 229,988,675

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2011

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Liabilities and Net Assets					
Current Liabilities					
Current maturities of.					
Hospital revenue bonds	$ 1,760,000	$ -	$ -	$ -	$ 1,760,000
Capital lease obligations	385,590	-	-	-	385,590
Accounts payable					
Trade	4,188,418	55,280	159,770	-	4,403,468
Construction	3,609,757	-	-	-	3,609,757
Affiliates	-	78,050	73,617	(151,667)	-
Accrued and withheld payroll taxes, etc.	830,767	-	185,354	-	1,016,121
Accrued expenses	7,485,721	36,591	1,356,151	-	8,878,463
Environmental remediation liability	1,329,287	-	-	-	1,329,287
Blue Cross current financing advance	1,057,200	-	-	-	1,057,200
Estimated third-party payor settlements	1,247,201	-	-	-	1,247,201
Current portion of accrued postretirement benefit costs	284,675	-	-	-	284,675
Total current liabilities	22,178,616	169,921	1,774,892	(151,667)	23,971,762
Long-Term Debt					
Hospital revenue bonds	49,995,000	-	-	-	49,995,000
Capital lease obligations	947,256	-	-	-	947,256
Deferred Compensation	1,870,959	-	8,744,519	-	10,615,478
Charitable Gift Annuities Payable	713,587	-	-	-	713,587
Accrued Postretirement Benefit Costs	5,109,880	-	-	-	5,109,880
Estimated Medical Malpractice Claims Liability	586,949	-	222,935	-	809,884
Total liabilities	81,402,247	169,921	10,742,346	(151,667)	92,162,847
Net Assets (Deficit)					
Unrestricted	130,964,510	1,822,496	(1,844,976)	-	130,942,030
Temporarily restricted	1,696,335	-	-	-	1,696,335
Permanently restricted	5,187,463	-	-	-	5,187,463
Total net assets (deficit)	137,848,308	1,822,496	(1,844,976)	-	137,825,828
Total liabilities and net assets	$ 219,250,555	$ 1,992,417	$ 8,897,370	$ (151,667)	$ 229,988,675

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Statement of Operations

Year Ended June 30, 2011

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Unrestricted Revenues, Gains, and Other Support					
Net patient service revenues	$ 122,053,729	$ -	$ 13,803,573	$ -	$ 135,857,302
Other revenues	5,107,536	1,973,630	1,752,142	(2,121,865)	6,711,443
Net assets released from restrictions	251,152	-	-	-	251,152
Total unrestricted revenues, gains, and other support	127,412,417	1,973,630	15,555,715	(2,121,865)	142,819,897
Expenses					
Salaries and wages	45,767,502	555,347	2,547,534	-	48,870,383
Supplies and expenses	42,266,937	795,265	2,873,065	(1,602,794)	44,332,473
Employee benefits	12,532,338	260,664	3,244,471	-	16,037,473
Physician salaries and fees	1,816,925	-	8,203,489	(519,071)	9,501,343
Depreciation	6,793,686	315,542	104,324	-	7,213,552
Provision for doubtful collections	6,222,471	55,957	1,053,394	-	7,331,822
Insurance	192,467	21,817	383,568	-	597,852
Interest (net of capitalized interest of $373,208)	1,527,439	-	-	-	1,527,439
Loss on refinancing of debt	286,495	-	-	-	286,495
Amortization	79,594	-	-	-	79,594
Loss on the sale and disposal of property and equipment	86,351	-	-	-	86,351
Total expenses	117,572,205	2,004,592	18,409,845	(2,121,865)	135,864,777
Operating Income (Loss)	9,840,212	(30,962)	(2,854,130)	-	6,955,120
Other Income					
Investment income	7,397,749	-	1,387	-	7,399,136
Contributions	1,162,059	-	-	-	1,162,059
Equity in income of investees	94,601	-	-	-	94,601
Revenues in excess of (less than) expenses	18,494,621	(30,962)	(2,852,743)	-	15,610,916
Postretirement Benefit Liability Adjustment	(191,108)	-	-	-	(191,108)
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	1,570,821	-	-	-	1,570,821
Transfers	(1,950,000)	(700,000)	2,650,000	-	-
Increase in Unrestricted Net Assets Before Effect of Adoption of New Accounting Standard	17,924,334	(730,962)	(202,743)	-	16,990,629
Effect of Adoption of New Accounting Standard	-	-	(245,759)		(245,759)
Increase (decrease) in unrestricted net assets	$ 17,924,334	$ (730,962)	$ (448,502)	$ -	$ 16,744,870

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Statement of Changes in Net Assets (Deficit)

Year Ended June 30, 2011

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Unrestricted Net Assets					
Revenues (less than) in excess of expenses	$ 18,494,621	$ (30,962)	$ (2,852,743)	$ -	$ 15,610,916
Net assets released from restrictions used for purchase of property and equipment	1,570,821	-	-	-	1,570,821
Postretirement benefit liability adjustment	(191,108)	-			(191,108)
Transfers	(1,950,000)	(700,000)	2,650,000	-	-
Increase in unrestricted net assets before effect of adoption of new accounting standard	17,924,334	(730,962)	(202,743)	-	16,990,629
Effect of adoption of new accounting standard	-	-	(245,759)	-	(245,759)
Increase (decrease) in unrestricted net assets	17,924,334	(730,962)	(448,502)	-	16,744,870
Temporarily Restricted Net Assets					
Contributions and grants	2,023,167	-	-	-	2,023,167
Investment income	84,581	-	-	-	84,581
Change in value of split-interest agreement	9,110	-	-	-	9,110
Net assets released from restrictions	(1,821,973)	-	-	-	(1,821,973)
Increase in temporarily restricted net assets	294,885	-	-	-	294,885
Permanently Restricted Net Assets					
Contributions	379,840	-	-	-	379,840
Investment income	22,099	-	-	-	22,099
Valuation gain	593,717	-	-	-	593,717
Change in value of split-interest agreement	20,145	-	-	-	20,145
Increase in permanently restricted net assets	1,015,801	-	-	-	1,015,801
Increase (decrease) in net assets	19,235,020	(730,962)	(448,502)	-	18,055,556
Net Assets (Deficit), Beginning	118,613,288	2,553,458	(1,396,474)	-	119,770,272
Net Assets (Deficit), Ending	$ 137,848,308	$ 1,822,496	$ (1,844,976)	$ -	$ 137,825,828

See notes to consolidated financial statements

Evangelical Community Hospital And Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2010

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Assets					
Current Assets					
Cash and cash equivalents	$ 22,665,047	$ 1,579,390	$ 208,898	$ -	$ 24,453,335
Assets whose use is limited under trust indenture, held by trustee	795,970	-	-	-	795,970
Accounts receivable					
Patients (net of estimated allowance for doubtful collections of $5,218,000)	9,638,939	-	1,097,398	-	10,736,337
Other (net of estimated allowance for doubtful collections of $66,000)	427,633	141,492	64,441	-	633,566
Affiliates	164,703	-	-	(164,703)	-
Current portion of note receivable	99,970	-	-	-	99,970
Inventories of drugs and supplies	2,540,533	83,971	100,057	-	2,724,561
Prepaid expenses and other current assets	1,456,765	14,293	197,132	-	1,668,190
Total current assets	37,789,560	1,819,146	1,667,926	(164,703)	41,111,929
Assets Whose Use Is Limited					
By Board for future capital improvements	51,060,477	-	-	-	51,060,477
Internally designed for deferred compensation plans	1,228,068	-	5,157,523	-	6,385,591
Under trust indenture, held by trustee	1,753,518	-	-	-	1,753,518
Board-designated unrestricted contributions	2,265,098	-	-	-	2,265,098
Long-Term Investments	931,909	-	-	-	931,909
Beneficial Interest in Perpetual Trusts	3,199,550	-	-	-	3,199,550
Beneficial Interest in Charitable Remainder Trusts	199,702	-	-	-	199,702
Pledges Receivable, Net	1,026,948	-	-	-	1,026,948
Note Receivable	1,569,407	-	-	-	1,569,407
Property and Equipment, Net	73,726,892	943,351	335,325	-	75,005,568
Goodwill	-	-	515,802	-	515,802
Deferred Financing Costs and Other Assets, Net	2,378,480	-	-	-	2,378,480
Total assets	$ 177,129,609	$ 2,762,497	$ 7,676,576	$ (164,703)	$ 187,403,979

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2010

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Liabilities and Net Assets					
Current Liabilities					
Current maturities of hospital revenue bonds					
Hospital revenue bonds	$ 1,180,000	$ -	$ -	$ -	$ 1,180,000
Capital lease obligations	332,662	-	-	-	332,662
Accounts payable.					
Trade	3,142,036	72,583	164,801	-	3,379,420
Construction	751,816	-	-	-	751,816
Affiliates	-	92,365	72,338	(164,703)	-
Accrued and withheld payroll taxes, etc	416,091	-	72,918	-	489,009
Accrued expenses	8,600,684	44,091	1,376,299	-	10,021,074
Blue Cross current financing advance	1,057,200	-	-	-	1,057,200
Estimated third-party payor settlements	1,032,994	-	-	-	1,032,994
Current portion of accrued postretirement benefit costs	261,377	-	-	-	261,377
Total current liabilities	16,774,860	209,039	1,686,356	(164,703)	18,505,552
Long-Term Debt					
Hospital revenue bonds	32,765,000	-	-	-	32,765,000
Capital lease obligations	1,040,655	-	-	-	1,040,655
Deferred Compensation	1,656,474	-	7,042,615	-	8,699,089
Charitable Gift Annuities Payable	765,608	-	-	-	765,608
Accrued Postretirement Benefit Costs	4,931,212	-	-	-	4,931,212
Estimated Medical Malpractice Claims Liability	582,512	-	344,079	-	926,591
Total liabilities	58,516,321	209,039	9,073,050	(164,703)	67,633,707
Net Assets (Deficit)					
Unrestricted	113,040,176	2,553,458	(1,396,474)	-	114,197,160
Temporarily restricted	1,401,450	-	-	-	1,401,450
Permanently restricted	4,171,662	-	-	-	4,171,662
Total net assets (deficit)	118,613,288	2,553,458	(1,396,474)	-	119,770,272
Total liabilities and net assets	$ 177,129,609	$ 2,762,497	$ 7,676,576	$ (164,703)	$ 187,403,979

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Statement of Operations

Year Ended June 30, 2010

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Unrestricted Revenues, Gains, and Other Support					
Net patient service revenues	$ 114,538,362	$ -	$ 13,925,666	$ -	$ 128,464,028
Other revenues	5,247,876	3,321,961	1,528,869	(2,258,610)	7,840,096
Net assets released from restrictions	184,352	-	-	-	184,352
Total unrestricted revenues, gains, and other support	119,970,590	3,321,961	15,454,535	(2,258,610)	136,488,476
Expenses					
Salaries and wages	43,862,820	768,493	2,743,597	-	47,374,910
Supplies and expenses	38,168,266	2,019,909	3,047,094	(1,768,183)	41,467,086
Employee benefits	13,345,303	312,323	3,002,112	-	16,659,738
Physician salaries and fees	1,806,601		8,183,313	(490,427)	9,499,487
Depreciation	6,965,222	243,462	96,256	-	7,304,940
Provision for doubtful collections	4,949,924	(72,811)	1,028,761	-	5,905,874
Interest (net of capitalized interest of $58,014)	1,384,254	-	-	-	1,384,254
Insurance	1,077,502	45,174	451,195	-	1,573,871
Amortization	84,550	-	112,169	-	196,719
Loss on the sale and disposal of property and equipment	114,641	-	949	-	115,590
Total expenses	111,759,083	3,316,550	18,665,446	(2,258,610)	131,482,469
Operating Income (Loss)	8,211,507	5,411	(3,210,911)	-	5,006,007
Other Income					
Investment income	3,805,178	-	2,958	-	3,808,136
Contributions	896,779	-	-	-	896,779
Equity in income of investees	209,885	-	-	-	209,885
Revenues (less than) in excess of expenses	13,123,349	5,411	(3,207,953)	-	9,920,807
Postretirement Benefit Liability Adjustment	(884,572)	-	-	-	(884,572)
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	633,685	-	105,000	-	738,685
Transfers	(2,745,000)	-	2,745,000	-	-
Increase (decrease) in unrestricted net assets	$ 10,127,462	$ 5,411	$ (357,953)	$ -	$ 9,774,920

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Statement of Changes in Net Assets (Deficit)

Year Ended June 30, 2010

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Unrestricted Net Assets					
Revenues in excess of (less than) expenses	$ 13,123,349	$ 5,411	$ (3,207,953)	$ -	$ 9,920,807
Postretirement benefit liability adjustment	(884,572)	-	-	-	(884,572)
Net assets released from restrictions used for purchase of property and equipment	633,685	-	105,000	-	738,685
Transfers	(2,745,000)	-	2,745,000	-	-
Increase (decrease) in unrestricted net assets	10,127,462	5,411	(357,953)	-	9,774,920
Temporarily Restricted Net Assets					
Contributions and grants	1,822,776	-	-	-	1,822,776
Investment income	44,656	-	-	-	44,656
Change in value of split-interest agreement	2,547	-	-	-	2,547
Net assets released from restrictions	(818,037)	-	(105,000)	-	(923,037)
(Decrease) increase in temporarily restricted net assets	1,051,942	-	(105,000)	-	946,942
Permanently Restricted Net Assets					
Contributions	123,011	-	-	-	123,011
Investment loss	448	-	-	-	448
Valuation loss	324,394	-	-	-	324,394
Change in value of split-interest agreement	9,457	-	-	-	9,457
Decrease in permanently restricted net assets	457,310	-	-	-	457,310
Increase (decrease) in net assets	11,636,714	5,411	(462,953)	-	11,179,172
Net Assets (Deficit), Beginning	106,976,574	2,548,047	(933,521)	-	108,591,100
Net Assets (Deficit), Ending	$ 118,613,288	$ 2,553,458	$ (1,396,474)	$ -	$ 119,770,272

See notes to consolidated financial statements

Additional Data

Software ID:
Software Version:
EIN: 24-0795411
Name: EVANGELICAL COMMUNITY HOSPITAL

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			
MARTHA BARRICK CHAIRPERSON	1 00	X		X				0	0	0
JOHN GRIFFITH VICE CHAIRPERSON	1 00	X		X				0	0	0
TIM APPLE DIRECTOR	1 00	X						0	0	0
JULIE BARNA DMD DIRECTOR	1 00	X						0	0	0
CAROL GRAYBEAL DIRECTOR	1 00	X						0	0	0
BROOKS GRONLUND DIRECTOR	1 00	X						0	0	0
ROBERT GRONLUND DIRECTOR	1 00	X						0	0	0
ROGER HADDON JR DIRECTOR	1 00	X						0	0	0
JOHN MECKLEY ESQ DIRECTOR	1 00	X						0	0	0
JAMES MORGAN JR MD DIRECTOR	1 00	X						0	0	0
R DAVID MYERS DIRECTOR	1 00	X						0	0	0
FREDRIK PAULSEN JR DIRECTOR	1 00	X						0	0	0
JULIA REDCAY DO DIRECTOR	1 00	X						0	0	0
W GALE REISH MD DIRECTOR	1 00	X						0	0	0
SUSAN FORGETT RHEAM CPA DIRECTOR	1 00	X						0	0	0
JOHN E RICE MD DIRECTOR	1 00	X						0	0	0
NORMAN RICH DIRECTOR	1 00	X						0	0	0
HENRY A TRUSLOW IV DIRECTOR	1 00	X						0	0	0
MICHAEL WIMER DIRECTOR	1 00	X						0	0	0
P RONALD ZUG DIRECTOR	1 00	X						0	0	0
CHRISTOPHER D OLSON DO EX-OFFICIO	1 00	X						0	0	0
JEANETTE WILLIAMS EX-OFFICIO	1 00	X						0	0	0
SARA KIRKLAND DIRECTOR EMERITUS	1 00	X						0	0	0
JOHN MATHIAS DIRECTOR EMERITUS	1 00	X						0	0	0
JAMES APPLE DIRECTOR EMERITUS	1 00	X						0	0	0

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			
MICHAEL N O'KEEFE PRESIDENT/CEO	40 00	X		X				361,161	0	101,125
JAMES A STOPPER CHIEF FINANCIAL OFFICER	40 00			X				122,892	0	34,410
J LAWRENCE GINSBURG VP MEDICAL AFFAIRS	40 00				X			545,654	0	152,783
KENDRA A AUCKER CHIEF OPERATING OFFICER	40 00				X			199,727	0	55,924
TAMI RADECKE VP COMMUNITY RELATIONS/CHIEF DEVELOPMENT OFFICER	40 00				X			153,131	0	42,877
PAUL TARVES VP NURSING	40 00				X			188,181	0	52,691
MARK K KRAMMES CHIEF CRNA	48 00					X		229,986	0	64,396
SANDRA S WALKER NURSE ANESTHETIST	49 00					X		223,992	0	62,718
LORI K GOODLING NURSE ANESTHETIST	48 00					X		218,136	0	61,078
RAYMOND J TOMASZEWSKI NURSE ANESTHETIST	48 00					X		214,621	0	60,094
COLLEEN FRITZ NURSE ANESTHETIST	47 00					X		212,351	0	59,458
CHRISTINE M MARTIN CFO/TREASURER (UNTIL 2/19/10)	40 00						X	79,985	0	22,396
RICHARD E SMITH JR FORMER VP STRATEGIC PLAN & BUS DEV (UNTIL 8/2010)	40 00						X	170,927	0	47,859

Additional Data

Software ID:
Software Version:
EIN: 24-0795411
Name: EVANGELICAL COMMUNITY HOSPITAL

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Amount
BLUE CROSS CURRENT FINANCING ADVANCE	1,057,200
ACCRUED POSTRETIREMENT BENEFIT COSTS	5,394,555
ESTIMATED MEDICAL MALPRACTICE CLAIMS LIABILITY	586,949
CHARITABLE GIFT ANNUITIES PAYABLE	713,587
DEFERRED COMPENSATION	1,892,625
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	1,247,201
CAPITAL LEASE OBLIGATION	1,332,847
ENVIRONMENTAL REMEDIATION LIABILITY	1,329,287