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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

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

C Name of organization
PHILHAVEN

Doing Business As

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

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

D Employer identification number
23-1548822

E Telephone number
(717) 270-2414

G Gross receipts $ 58,138,825

F Name and address of principal officer
MATTHEW ROGERS
283 SOUTH BUTLER ROAD PO BOX 550
MOUNT GRETNA, PA 17064

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW PHILHAVEN ORG

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

L Year of formation 1949

M State of legal domicile PA

Part I Summary

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

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,192
6	Total number of volunteers (estimate if necessary)	**6**	101
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	509,769
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	69,460

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	883,871	1,236,852
	9 Program service revenue (Part VIII, line 2g)	53,218,563	55,105,205
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	158,777	284,895
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,317,592	1,189,120
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	58,578,803	57,816,072
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	43,056,217	44,377,603
	16a Professional fundraising fees (Part IX, column (A), line 11e)	37,324	30,489
	b Total fundraising expenses (Part IX, column (D), line 25) ▶249,502		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	11,778,353	12,924,926
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	54,871,894	57,333,018
	19 Revenue less expenses Subtract line 18 from line 12	3,706,909	483,054

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	32,601,888	33,405,234
	21 Total liabilities (Part X, line 26)	9,297,647	9,659,611
	22 Net assets or fund balances Subtract line 21 from line 20	23,304,241	23,745,623

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

****** 2013-05-14
Signature of officer — Date

MATTHEW ROGERS CHIEF FINANCIAL OFFICER
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: JULIUS C GREEN | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions) P00350393

Firm's name (or yours if self-employed), address, and ZIP + 4: PARENTEBEARD LLC, 1650 MARKET STREET SUITE 4500, PHILADELPHIA, PA 19103 | EIN ▶ 23-2932984 | Phone no ▶ (215) 972-0701

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

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

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured 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 $ 18,500,577 including grants of $) (Revenue $ 19,369,727)

PHILHAVEN'S INPATIENT PSYCHIATRIC PROGRAM IS AVAILABLE TO INDIVIDUALS WHO ARE IN MOST SEVERE STRESS AND/OR DANGER OF HARMING THEMSELVES OR OTHERS THE INPATIENT PROGRAM PROVIDES A 24-HOUR A DAY THERAPEUTIC MILIEU AND INTERVENTIONS THAT SERVE TO STABILIZE ACUTE PSYCHIATRIC SYMPTOMS SERVICES ARE PROVIDED TO CHILDREN AND ADOLESCENTS AGES 3 TO 18 AND ADULTS OVER 18 YEARS OF AGE TYPICAL LENGTH OF STAY IS UP TO SIX DAYS FOR ADULTS AND NINE DAYS FOR CHILDREN/ADOLESCENTS ADDITIONALLY, PHILHAVEN OFFERS EXTENDED ACUTE PSYCHIATRIC INPATIENT SERVICES FOR ADULTS THAT REQUIRE LONG-TERM INTENSIVE INTERVENTIONS TO STABILIZE THEIR SYMPTOMS ONCE BEHAVIORAL STABILIZATION IS ACHIEVED, THE PATIENT IS THEN PREPARED FOR TRANSITION TO THE NEXT LEVEL OF APPROPRIATE CARE THIS PROGRAM SERVED 2,034 INDIVIDUALS DURING THE JUNE 30, 2012 FISCAL YEAR

4b (Code) (Expenses $ 13,936,180 including grants of $) (Revenue $ 14,660,421)

PHILHAVEN'S CHILDREN'S/ADOLESCENTS' BEHAVIORAL HEALTH REHABILITATION SERVICE (BHRS) PROGRAM INCLUDES BOTH COMMUNITY BASED AND AFTER SCHOOL SERVICES THE GOAL OF ALL BHRS SERVICES IS TO ENHANCE THE CHILD'S/ADOLESCENT'S ABILITY TO FUNCTION EMOTIONALLY, SOCIALLY, AND BEHAVIORALLY INDIVIDUALIZED INTERVENTIONS SERVE TO FACILITATE YOUTH'S BEHAVIORAL STABILIZATION AND EMOTIONAL GROWTH MENTAL HEALTH SPECIALISTS HELP YOUTH LEARN SKILLS AND COPING STRATEGIES, WHICH ENABLE THE YOUTH TO PRVENT DETERIORATION AND MORE RESTRICTIVE SERVICES AFTERSCHOOL SERVICES ARE PROVIDED MONDAY - FRIDAY AFTER SCHOOL FOR CHILDREN AGES SIX TO 12 YEARS COMMUNITY BASED SERVICES ARE PROVIDED IN SCHOOLS AND HOMES BY TRAINED THERAPEUTIC SUPPORT STAFF, MOBILE THERAPISTS, AND BEHAVIORAL SPECIALISTS CONSULTANTS THIS PROGRAM SERVED 1,423 INDIVIDUALS DURING THE JUNE 30, 2012 FISCAL YEAR

4c (Code) (Expenses $ 11,159,999 including grants of $) (Revenue $ 9,332,552)

PHILHAVEN'S OUTPATIENT PROGRAM PROVIDES THE LEAST RESTRICTIVE TYPE OF MENTAL HEALTH TREATMENT AVAILABLE AT PHILHAVEN STAFF WHO ARE PROFESSIONALLY TRAINED IN PSYCHIATRY, PSYCHOLOGY, SOCIAL WORK, AND COUNSELING STRIVE TO PROVIDE OUTPATIENT SERVICES TO CLIENTS IN A CONSCIENTIOUS AND CARING MANNER AS THEY WORK TOWARD THEIR THERAPEUTIC GOALS PHILHAVEN STRIVES TO PROVIDE INDIVIDUALS AND THEIR FAMILIES WITH THE SKILLS AND RESOURCES NECESSARY TO LIVE HEALTHY, FULFILLED LIVES WITHIN THEIR HOMES AND COMMUNITIES SPECIFIC SERVICES OFFERED INCLUDE EVALUATIONS AND ASSESSMENTS, PSYCHIATRIC MEDICATION MANAGEMENT, PSYCHIATRIC CONSULTATION, INDIVIDUAL THERAPY, FAMILY THERAPY, GROUP THERAPY, AND MARRIAGE COUNSELING THIS PROGRAM SERVED 12,366 INDIVIDUALS DURING THE JUNE 30, 2012 FISCAL YEAR

(Code) (Expenses $ 7,060,558 including grants of $) (Revenue $ 11,742,505)

OTHER PROGRAM SERVICES PRIMARILY INCLUDES THE DAY AND INTENSIVE OUTPATIENT PROGRAMS, WHICH ARE DESIGNED TO PROVIDE THERAPEUTIC INTERVENTIONS TO INDIVIDUALS WHO DEMONSTRATE SIGNIFICANT IMPAIRMENT IN THEIR DAILY FUNCTIONING DUE TO THEIR HIGH LEVEL OF EMOTIONAL DISTRESS THESE PROGRAMS SERVE BOTH ADULT AND CHILD/ADOLESCENT POPULATIONS IN SEPARATE SETTINGS SERVICES INCLUDE GROUP THERAPY TARGETING COPING SKILLS, ANGER MANAGEMENT AND STRESS MANAGEMENT, AS WELL AS INDIVIDUAL AND FAMILY THERAPY SESSIONS OTHER PROGRAMS INCLUDE RESIDENTIAL PROGRAM FOR ADOLESCENTS AND ASSERTIVE COMMUNITY TREATMENT FOR ADULTS THE OTHER PROGRAMS SERVED 6,315 INDIVIDUALS DURING THE JUNE 30, 2012 FISCAL YEAR

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

PHILHAVEN PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES BECAUSE PHILHAVEN DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE CRITERIA FOR CHARITY CARE CONSIDERS THE PATIENT'S FAMILY INCOME, NET WORTH, ETC THE CHARITY CARE POLICY APPLIES TO ALL ELIGIBLE PATIENTS IN ALL PROGRAMS PHILHAVEN MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE AND COMMUNITY SERVICE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE BASED ON ESTABLISHED RATES FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE AND COMMUNITY SERVICES POLICIES, THE ESTIMATED COST OF THOSE SERVICES AND THE NUMBER OF PATIENTS RECEIVING SERVICES UNDER THESE POLICIES CHARGES FORGONE FOR CHARITY CARE SERVICES WERE $261,624 AND $200,078 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011, RESPECTIVELY

4d Other program services (Describe in Schedule O)

(Expenses $ 7,060,558 including grants of $) (Revenue $ 11,742,505)

4e **Total program service expenses** ▶ $ 50,657,314

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 instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	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, Part 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, Part 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*	17	Yes	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	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*	**35b**	Yes	
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**	115		
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**	1,192		
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 or securities 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.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate 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 aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

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

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete 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 the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did 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," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 made 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 made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) REBECCA BURKHOLDER SECRETARY	1 50	X		X				0	0	0
(2) KENNETH L MOORE TREASURER	1 50	X		X				0	0	0
(3) JANET BRENEMAN DIRECTOR	1 30	X						0	0	0
(4) ROBERT FORTNA DIRECTOR	1 30	X						0	0	0
(5) JANET R STAUFFER VICE PRESIDENT	1 50	X		X				0	0	0
(6) SAM THOMAS DIRECTOR	1 30	X						0	0	0
(7) ROBERT HOFFMAN DIRECTOR	1 30	X						0	0	0
(8) GEORGE STOLTZFUS PRESIDENT	1 50	X		X				0	0	0
(9) AARON GROFF DIRECTOR	1 30	X						0	0	0
(10) KYLE HORST DIRECTOR	1 30	X						0	0	0
(11) MONIQUA ACOSTA DIRECTOR	1 30	X						0	0	0
(12) DUANE BRITTON DIRECTOR	1 30	X						0	0	0
(13) AUDREY GROFF DIRECTOR	1 30	X						0	0	0
(14) JAMES HERR DIRECTOR	1 30	X						0	0	0
(15) DAVID WARREN DIRECTOR	1 30	X						0	0	0
(16) FRANCIS D SPARROW MD MEDICAL DIRECTOR	52 00			X				306,870	0	14,512
(17) PHILIP D HESS CHIEF EXECUTIVE OFFICER	50 00			X				174,998	0	19,128

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 (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(18) MATTHEW ROGERS CFO	50 00			X				102,331	0	8,379
(19) OLANIYI I OLULEYE PHYSICIAN	40 00					X		255,053	0	18,044
(20) EUGENIA ABONYI PHYSICIAN	40 00					X		227,495	0	7,972
(21) THOMAS FOLEY PHYSICIAN	40 00					X		227,942	0	12,487
(22) MUSTAFA KALEEM PHYSICIAN	40 00					X		235,253	0	20,594
(23) JEREMY WALTERS PHYSICIAN	40 00					X		227,055	0	17,775

1b	**Sub-Total**			
c	**Total from continuation sheets to Part VII, Section A**			
d	**Total (add lines 1b and 1c)**	1,756,997	0	118,891

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 26

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
GLS ENTERPRISES PO BOX 673 LEBANON, PA 17042	PHARMACY	394,013
ALLCARE FAMILY HEALTH PO BOX 1210 LEBANON, PA 17042	PHYSICIAN SERVICES	207,000
MASTERPIECE MARKETING LLC PO BOX 5317 LANCASTER, PA 17606	MARKETING SERVICES	205,219
MOORE BUSINESS PARK 780 EDEN ROAD LANCASTER, PA 17601	OFFICE RENTAL	147,500
KE LLC 607 PINKERTON ROAD MTJOY, PA 17552	OFFICE RENTAL	146,575

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 8

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	15,337				
	b	Membership dues					
	c	Fundraising events	37,252				
	d	Related organizations					
	e	Government grants (contributions)	450,000				
	f	All other contributions, gifts, grants, and similar amounts not included above	734,263				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		1,236,852			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE RE	624100	55,105,205	55,105,205		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		55,105,205			
	3	Investment income (including dividends, interest and other similar amounts)		129,700			129,700
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	4,200				
	b	Less rental expenses	7,743				
	c	Rental income or (loss)	-3,543				
	d	Net rental income or (loss)		-3,543			-3,543
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		447,050			
	b	Less cost or other basis and sales expenses		291,855			
	c	Gain or (loss)		155,195			
	d	Net gain or (loss)			155,195		155,195
Other Revenue	8a	Gross income from fundraising events (not including $ 37,252 of contributions reported on line 1c) See Part IV, line 18	a 14,593				
	b	Less direct expenses	b 23,155				
	c	Net income or (loss) from fundraising events		-8,562			-8,562
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
	Miscellaneous Revenue		Business Code				
	11a	FARM INCOME	110000	509,769		509,769	
	b	INS PREM RECOVERY	624100	400,000			400,000
	c	CAFETERIA SALES	722210	208,458			208,458
	d	All other revenue		82,998			82,998
	e	**Total.** Add lines 11a–11d		1,201,225			
	12	**Total revenue.** See Instructions		57,816,072	55,105,205	509,769	964,246

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)

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

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 United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	644,067	325,547	304,280	14,240
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	36,259,475	34,190,547	1,962,734	106,194
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	402,868	383,159	18,659	1,050
9	Other employee benefits	4,487,572	4,422,715	40,709	24,148
10	Payroll taxes	2,583,621	2,436,202	139,852	7,567
11	Fees for services (non-employees)				
a	Management	65,876	65,876		
b	Legal	41,769		41,769	
c	Accounting	70,100	13,500	56,600	
d	Lobbying	96,000		96,000	
e	Professional fundraising *See Part IV, line 17* . .	30,489			30,489
f	Investment management fees	21,715	1,685	20,030	
g	Other	2,390,344	1,402,141	971,350	16,853
12	Advertising and promotion	95,420	1,958	93,192	270
13	Office expenses	3,292,192	2,964,327	310,922	16,943
14	Information technology	131,412		131,412	
15	Royalties . .				
16	Occupancy	3,189,465	2,439,114	750,351	
17	Travel	518,666	492,418		26,248
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	611,127	436,114	175,013	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,231,553	313,015	918,538	
23	Insurance				
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBTS	357,554	357,554		
b	FARM EXPENSES	211,727	211,727		
c	BOOKS, DUES & SUBSCRIPT	191,160	63,843	126,030	1,287
d	FEDERAL INCOME TAX	16,273	16,273		
e					
f	All other expenses	392,573	119,599	268,761	4,213
25	**Total functional expenses.** Add lines 1 through 24f	57,333,018	50,657,314	6,426,202	249,502
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		25,467	1	28,685
	2	Savings and temporary cash investments		2,375,342	2	3,111,285
	3	Pledges and grants receivable, net		438,668	3	333,838
	4	Accounts receivable, net		9,213,342	4	7,891,374
	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)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	340,000
	8	Inventories for sale or use		19,928	8	20,045
	9	Prepaid expenses and deferred charges		1,388,741	9	940,609
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 42,346,602			
	b	Less accumulated depreciation	10b 30,211,071	11,888,762	10c	12,135,531
	11	Investments—publicly traded securities		5,845,626	11	7,212,291
	12	Investments—other securities See Part IV, line 11		936,246	12	936,422
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		10,273	14	8,122
	15	Other assets See Part IV, line 11		459,493	15	447,032
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		32,601,888	16	33,405,234
Liabilities	17	Accounts payable and accrued expenses		5,358,250	17	5,842,994
	18	Grants payable			18	
	19	Deferred revenue		16,079	19	17,819
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		3,923,318	23	3,798,798
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		9,297,647	26	9,659,611
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		22,310,553	27	22,587,131
	28	Temporarily restricted net assets		513,623	28	690,674
	29	Permanently restricted net assets		480,065	29	467,818
		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		23,304,241	33	23,745,623
	34	Total liabilities and net assets/fund balances		32,601,888	34	33,405,234

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	57,816,072
2	Total expenses (must equal Part IX, column (A), line 25)	2	57,333,018
3	Revenue less expenses Subtract line 2 from line 1	3	483,054
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	23,304,241
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-41,672
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	23,745,623

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		

Additional Data

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

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

4d. Other program services

(Code) (Expenses $ 7,060,558 including grants of $) (Revenue $ 11,742,505)

OTHER PROGRAM SERVICES PRIMARILY INCLUDES THE DAY AND INTENSIVE OUTPATIENT PROGRAMS, WHICH ARE DESIGNED TO PROVIDE THERAPEUTIC INTERVENTIONS TO INDIVIDUALS WHO DEMONSTRATE SIGNIFICANT IMPAIRMENT IN THEIR DAILY FUNCTIONING DUE TO THEIR HIGH LEVEL OF EMOTIONAL DISTRESS THESE PROGRAMS SERVE BOTH ADULT AND CHILD/ADOLESCENT POPULATIONS IN SEPARATE SETTINGS SERVICES INCLUDE GROUP THERAPY TARGETING COPING SKILLS, ANGER MANAGEMENT AND STRESS MANAGEMENT, AS WELL AS INDIVIDUAL AND FAMILY THERAPY SESSIONS OTHER PROGRAMS INCLUDE RESIDENTIAL PROGRAM FOR ADOLESCENTS AND ASSERTIVE COMMUNITY TREATMENT FOR ADULTS THE OTHER PROGRAMS SERVED 6,315 INDIVIDUALS DURING THE JUNE 30, 2012 FISCAL YEAR

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

PHILHAVEN PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES BECAUSE PHILHAVEN DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE CRITERIA FOR CHARITY CARE CONSIDERS THE PATIENT'S FAMILY INCOME, NET WORTH, ETC THE CHARITY CARE POLICY APPLIES TO ALL ELIGIBLE PATIENTS IN ALL PROGRAMS PHILHAVEN MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE AND COMMUNITY SERVICE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE BASED ON ESTABLISHED RATES FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE AND COMMUNITY SERVICES POLICIES, THE ESTIMATED COST OF THOSE SERVICES AND THE NUMBER OF PATIENTS RECEIVING SERVICES UNDER THESE POLICIES CHARGES FORGONE FOR CHARITY CARE SERVICES WERE $261,624 AND $200,078 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011, RESPECTIVELY

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135012283

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

2011

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** 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 IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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

Balance at June 30, 2010	$	358,542
Valuation gains		47,804
Balance at June 30, 2011		406,346
Valuation losses		(12,247)
Balance at June 30, 2012	$	394,099

The valuation gains (losses) on perpetual trusts for the years ended June 30, 2012 and 2011 is included in the changes in permanently restricted net assets

Long-Term Investments and Beneficial Interest in Irrevocable Trusts

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

Beneficial Interest in Irrevocable Trusts

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

The fair value amounts have been measured as of June 30, 2012 and 2011, and have not been re-evaluated or updated for the purposes of these financial statements subsequent to those respective dates As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each year-end

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2011

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

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

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

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

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

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

Name of the organization	Employer identification number
PHILHAVEN	23-1548822

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

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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

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

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

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		96,000
j	Total lines 1c through 1i			96,000
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

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

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	490,269	429,302	401,011	473,539	
b Contributions					
c Investment earnings or losses	-14,556	60,967	28,291	-72,528	
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	475,713	490,269	429,302	401,011	

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

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

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

		Yes	No
(i) unrelated organizations	3a(i)		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 Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		355,952		355,952
b Buildings		16,496,338	10,416,656	6,079,682
c Leasehold improvements				
d Equipment		24,521,315	19,762,174	4,759,141
e Other		972,997	32,241	940,756
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				12,135,531

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

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

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

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

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

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

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

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

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	57,816,072
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	57,333,018
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	483,054
4	Net unrealized gains (losses) on investments	4	-41,672
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	-41,672
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	441,382

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	57,514,660
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-41,672		
b	Donated services and use of facilities	2b	9,554		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-280,162		
e	Add lines **2a** through **2d**			2e	-312,280
3	Subtract line **2e** from line **1**			3	57,826,940
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	20,030		
b	Other (Describe in Part XIV)	4b	-30,898		
c	Add lines **4a** and **4b**			4c	-10,868
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	57,816,072

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

1	Total expenses and losses per audited financial statements			1	57,073,278
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	9,554		
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	30,898		
e	Add lines **2a** through **2d**			2e	40,452
3	Subtract line **2e** from line **1**			3	57,032,826
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	20,030		
b	Other (Describe in Part XIV)	4b	280,162		
c	Add lines **4a** and **4b**			4c	300,192
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	57,333,018

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE PURPOSE OF THESE DONOR RESTRICTED FUNDS IS TO PROVIDE A STABLE SOURCE OF PERPETUAL FINANCIAL SUPPORT FOR THE PHILHAVEN PROGRAMS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	PHILHAVEN IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXES THE FARM'S INCOME IS TAXABLE FOR FEDERAL PURPOSES AS UNRELATED BUSINESS INCOME PHILHAVEN AND THE FARM PRESCRIBE A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY IN RECORDING TAX LIABILITIES IN THE FINANCIAL STATEMENTS MEASUREMENT AND RECOGNITION OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET NO SUCH LIABILITIES ARE RECORDED AT JUNE 30, 2012 AND 2011 THE ORGANIZATION'S FEDERAL EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURNS FOR THE YEARS ENDED JUNE 30, 2011, 2010, AND 2009 REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE
PART XII, LINE 2D - OTHER ADJUSTMENTS		INCOME TAX EXPENSE -16,273 FUNDRAISING EXPENSES RPT AS NON-OPERATING GAIN/LOSS -263,889
PART XII, LINE 4B - OTHER ADJUSTMENTS		FUNDRAISING EVENT EXPENSE -23,155 RENTAL EXPENSES -7,743
PART XIII, LINE 2D - OTHER ADJUSTMENTS		FUNDRAISING EVENT EXPENSES 23,155 RENTAL EXPENSES 7,743
PART XIII, LINE 4B - OTHER ADJUSTMENTS		INCOME TAX EXPENSE 16,273 FUNDRAISING EXPENSES RPT AS NON-OPERATING GAIN/LOSS 263,889

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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

2011

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

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

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

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

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

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

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	**(iii)** No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
BENEVON 4528 EIGHT AVENUE NE SEATTLE, WA 98105	FUNDRAISING PROGRAM CONSULTANT		No	122,027	14,400	107,627
ENDOWMENT HORIZONS PO BOX 196 WATERVILLE, OH 43566	CONSULTING ON PLANNED GIVING PROGRAM		No	17,893	11,192	6,701
Total . . . . . ▶				139,920	25,592	114,328

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

PA

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

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	51,845			51,845
	2 Less Charitable contributions	37,252			37,252
	3 Gross income (line 1 minus line 2)	14,593			14,593
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes	1,525			1,525
	6 Rent/facility costs	10,477			10,477
	7 Food and beverages	8,272			8,272
	8 Entertainment				
	9 Other direct expenses	2,881			2,881
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(23,155)
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				-8,562

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

2011

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? 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	Did the organization use FPG to determine eligibility for providing *discounted* care? 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 did 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 policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a		No
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)			269,478		269,478	0 470 %
b Medicaid (from Worksheet 3, column a)			97,508		97,508	0 170 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			366,986		366,986	0 640 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			1,834,801	1,185,829	648,972	1 130 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			60,583		60,583	0 110 %
j **Total** Other Benefits			1,895,384	1,185,829	709,555	1 240 %
k **Total.** Add lines 7d and 7j			2,262,370	1,185,829	1,076,541	1 880 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense 2 365,015			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy 3 267,967			
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	3,936,668
6	Enter Medicare allowable costs of care relating to payments on line 5	6	3,985,857
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-49,189
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	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (see instructions)

	(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 from largest to smallest)

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

PHILHAVEN

Name of Hospital Facility: _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☑ Medical indigency			
	d ☐ Insurance status			
	e ☐ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			
Billing and Collections				
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☑ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16	Yes	
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☑ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☑ Notified patients of the financial assistance policy upon admission			
	b ☐ Notified patients of the financial assistance policy prior to discharge			
	c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☑ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size 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		
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 descriptions 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART I, LINE 7 A COST TO CHARGE RATIO WAS USED TO DETERMINE THE AMOUNTS REPORTED IN THE CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS ITEMS COST ACCOUNTING WAS USED TO DETERMINE THE AMOUNTS REPORTED IN THE OTHER BENEFITS SECTION BAD DEBT AND OTHER WRITE-OFFS ARE EXCLUDED IN THE DENOMINATOR WHICH, IF INCLUDED, WOULD INCREASE THE PERCENTAGE OF CHARITY CARE REPORTED THE AMOUNT OF BAD DEBT NOT INCLUDED IN THE CALCULATION WAS $365,015

Identifier	ReturnReference	Explanation
	FORM 990, SCHEDULE H, PART I, LINE 7B	THE AMOUNT RECORDED IS THE COST ASSOCIATED WITH SPECIFIC CLAIMS THAT WERE DENIED BY MEDICAID

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A) OF $357,554 IS SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN

Identifier	ReturnReference	Explanation
		PART II PHILHAVEN PARTICIPATES IN THE FOLLOWING PROGRAMS IN THE COMMUNITY CRISIS INTERVENTION /INFORMATION AND REFERRAL CENTER (CIIC) IS A CONFIDENTIAL SEVEN DAY / 24 HOUR SERVICE, PROVIDED BY PHILHAVEN CRISIS COUNSELORS PROVIDE PSYCHOSOCIAL ASSESSMENT OF CRISIS SITUATIONS OVER THE PHONE AND IN THE COMMUNITY CRISIS SERVICES ARE FUNDED THROUGH A CONTRACT BETWEEN THE COUNTY COMMISSIONERS AND PHILHAVEN ALONG WITH MEDICAL ASSISTANCE REIMBURSEMENT FOR IDENTIFIED INDIVIDUALS WITH MEDICAID THIS CONTRACT ALLOWS FOR LIMITED REIMBURSEMENT OF OVERHEAD EXPENSE RESULTING IN SHORTFALLS THE LANCASTER DIVERSION PROGRAM (LADV) IS A COMMUNITY-BASED PROGRAM DESIGNED TO SERVE THE NEEDS OF INDIVIDUALS WHO HAVE A HISTORY OF SERIOUS AND PERSISTENT MENTAL ILLNESS AND LONG-TERM HOSPITALIZATION IT IS ALSO DESIGNED TO SERVE INDIVIDUALS IDENTIFIED BY LANCASTER COUNTY CASE MANAGEMENT STAFF AS BEING AT RISK FOR INPATIENT OR STATE HOSPITAL SERVICES DUE TO SEVERELY ACUTE PSYCHIATRIC ILLNESS AND BEHAVIOR THE DIVERSION PROGRAM IS FUNDED THROUGH A CONTRACT BETWEEN PHILHAVEN AND LANCASTER COUNTY THIS CONTRACT PROVIDES LIMITED REIMBURSEMENT FOR OVERHEAD EXPENSE RESULTING IN SHORTFALLS SUPPORTED HOUSING IS AN INNOVATIVE PROGRAM DESIGNED TO BENEFIT PERSONS WHO SUFFER FROM CHRONIC MENTAL ILLNESS BY ASSISTING THEM WITH BASIC HOUSING NEEDS CLIENTS ARE ABLE TO LIVE INDEPENDENTLY IN THE COMMUNITY WHILE RECEIVING THE SUPPORTIVE ASSISTANCE THEY NEED THROUGH REGULAR IN-HOME VISITS THE PROGRAM IS ADMINISTERED BY A MASTERS LEVEL CLINICIAN AND IS A VOLUNTARY PROGRAM FUNDED BY LEBANON COUNTY MENTAL HEALTH AND MENTAL RETARDATION ASSOCIATION THE STAFF ALSO ASSISTS WITH ASSESSMENT OF HOUSING NEEDS, PROCUREMENT OF HOUSING AND HOUSEHOLD GOODS, HOME MAINTENANCE SKILLS, LANDLORD/TENANT NEGOTIATIONS AND OTHER ISSUES RELATED TO MAINTAINING INDEPENDENT LIVING THE FUNDING FROM LEBANON COUNTY IS LIMITED RESULTING IN SHORTFALLS PARTNERS FOR PROGRESS IS A SERVICE DEVELOPED IN CONJUNCTION WITH THE LEBANON HOUSING AUTHORITY AND LEBANON MH/MR TO PROVIDE HOMES AND SUPPORT SERVICES TO TEN INDIVIDUALS WHO ARE HOMELESS AND WHO HAVE A HISTORY OF EXPERIENCING PERSISTENT MENTAL ILLNESS THE AUTISM RESILIENCY PROGRAM IS DESIGNED TO HELP FAMILIES AND THE COMMUNITY TO ACHIEVE A GREATER UNDERSTANDING OF AUTISM SPECTRUM DISORDERS (ASD), IMPROVE SKILLS THAT WILL ALLOW PERSONS WHO EXPERIENCE ASD TO INTEGRATE MORE FULLY INTO THE COMMUNITY, AND CREATE GREATER COMMUNITY RESOURCES FOR SOCIAL AND RECREATIONAL ACTIVITIES FOR INDIVIDUALS WITH ASD THIS WILL PROVIDE FAMILIES WITH TOOLS TO BUILD AND MAINTAIN THEIR PERSONAL RESILIENCY CURRENTLY, THE PROGRAM REACHES LEBANON COUNTY AND NEARBY AREAS IT INCLUDES A PHYSICAL SPACE IN PHILHAVENS GRACE M POLLOCK TRAINING & COMMUNITY CENTER AND THE POTENTIAL FOR VIDEO CONFERENCING OF PRESENTATIONS ADDITIONALLY THE PROGRAM PROVIDES TWO SERIES OF WORKSHOPS FOR INTERESTED COMMUNITY MEMBERS THE ASERT COLLABORATIVE IS A PARTNERSHIP OF MEDICAL CENTERS, CENTERS OF AUTISM RESEARCH AND SERVICES, UNIVERSITIES AND OTHER PROVIDERS OF SERVICES INVOLVED IN THE TREATMENT AND CARE OF INDIVIDUALS OF ALL AGES WITH AUTISM AND THEIR FAMILIES THE ASERT COLLABORATIVE HAS BEEN DESIGNED TO BRING TOGETHER RESOURCES LOCALLY, REGIONALLY, AND STATEWIDE THERE ARE THREE ASERT REGIONS (WESTERN, CENTRAL, AND EASTERN) WORKING TOGETHER TO STREAMLINE RESOURCES AND SHARE EXPERTISE ACROSS THE COMMONWEALTH EACH ASERT REGION IS CHARGED WITH UNDERSTANDING THE NEEDS OF THEIR RESPECTIVE REGION, INCLUDING THE NEEDS OF THE MOST RURAL REGIONS OF THE STATE AND THE MOST UNDERSERVED POPULATIONS

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

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

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

Identifier	ReturnReference	Explanation
PHILHAVEN		PART V, SECTION B, LINE 3 DURING THE FISCAL YEAR ENDED JUNE 30, 2013, THE COMMUNITY NEEDS ASSESSMENT PROCESS WAS BEGUN AN ADVISORY GROUP WAS ESTABLISHED TO REVIEW EXISTING DATA AND DEVELOP THE FRAMEWORK FOR COMMUNITY FORUMS COMMUNITY FORUMS MADE UP OF STAKEHOLDERS WERE HELD BEGINNING IN FEBRUARY 2013 WITH PARTICIPANTS FROM THE FOUR COUNTIES (LEBANON, DAUPHIN, LANCASTER AND YORK) WHERE PHILHAVEN PROVIDES SERVICES FROM THE FORUMS PHILHAVEN GENERATED A LIST OF COMMUNITY NEEDS IDENTIFIED BY THE FORUM PARTICIPANTS THE ADVISORY GROUP REVIEWED AND PRIORITIZED THE COMMUNITY NEEDS AND PRESENTED THEM TO PHILHAVEN MANAGEMENT PHILHAVEN MANAGEMENT AND BOARD OF DIRECTORS REVIEWED THE ADVISORY GROUPS LIST AND SELECTED A FINAL LIST OF PRIORITIZED COMMUNITY NEEDS FOR WHICH GOALS AND ACTION STEPS WILL BE DEVELOPED

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 PHILHAVEN MAKES MEMBERS OF ITS MEDICAL AND CLINICAL STAFF AVAILABLE TO VARIOUS COMMUNITY ORGANIZATIONS INCLUDED IN THIS ARE PSYCHIATRIC PHILHAVEN PROVIDES CONSULTATIONS FROM ITS MEDICAL STAFF MEMBERS TO LOCAL COMMUNITY AND ACUTE CARE HOSPITALS ADDITIONALLY PHILHAVEN PROVIDES MEDICAL STAFF AND CLINICAL STAFF TO A LOCAL SCHOOL DISTRICT FOR PSYCHIATRIC AND THERAPEUTIC CONSULTATION OR DIRECT SERVICES SERVICES AT NO CHARGE PHILHAVEN ENCOURAGES ITS SENIOR MANAGEMENT AND EMPLOYEES TO VOLUNTEER THEIR TIME FOR LOCAL NON-PROFIT ORGANIZATIONS THESE STAFF PROVIDE MENTAL HEALTH EXPERTISE TO NON-PROFIT AGENCIES PROVIDING SERVICES TO HOMELESS PERSONS, PERSONS WITH DEVELOPMENTAL DISABILITIES, AND PERSONS WITH MENTAL ILLNESS ADDITIONALLY, PHILAHVEN ALLOWS SOME LOCAL NON-PROFIT ORGANIZATIONS USE OF ITS TRAINING FACILITIES AT NO CHARGE INCLUDING OTHER HEALTH CARE ORGANIZATIONS TRAININGS SPONSORED BY PHILHAVEN ARE ALSO MADE AVAILABLE TO OTHER MENTAL HEALTH AND PHYSICAL HEALTHCARE PROVIDERS ON A VARIETY OF MENTAL HEALTH TOPICS IMPROVING THE OTHER HEALTHCARE PROVIDERS' ABILITY TO SERVE PATIENTS WITH MENTAL ILLNESS

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 N/A

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

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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

2011

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

Part I Questions Regarding Compensation

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

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

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) FRANCIS D SPARROW MD	(i)	306,870	0	0	3,675	10,837	321,382	0
	(ii)	0	0	0	0	0	0	0
(2) PHILIP D HESS	(i)	174,998	0	0	2,063	17,065	194,126	0
	(ii)	0	0	0	0	0	0	0
(3) OLANIYI I OLULEYE	(i)	255,053	0	0	3,675	14,369	273,097	0
	(ii)	0	0	0	0	0	0	0
(4) EUGENIA ABONYI	(i)	227,495	0	0	3,589	4,383	235,467	0
	(ii)	0	0	0	0	0	0	0
(5) THOMAS FOLEY	(i)	227,942	0	0	1,650	10,837	240,429	0
	(ii)	0	0	0	0	0	0	0
(6) MUSTAFA KALEEM	(i)	235,253	0	0	3,529	17,065	255,847	0
	(ii)	0	0	0	0	0	0	0
(7) JEREMY WALTERS	(i)	227,055	0	0	3,406	14,369	244,830	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE EXECUTIVE COMMITTEE IS COMPRISED OF THE FOUR ELECTED OFFICERS OF THE BOARD, I E., PRESIDENT, VICE PRESIDENT, TREASURER AND SECRETARY, AND A "FIFTH MEMBER" ELECTED BY THE BOARD THE CHIEF EXECUTIVE OFFICER AND THE MEDICAL DIRECTOR ARE NON-VOTING MEMBERS OF THE EXECUTIVE COMMITTEE ALL VOTING MEMBERS OF THE EXECUTIVE COMMITTEE ARE ON THE BOARD THE NON-VOTING MEMBERS ARE NOT ON THE BOARD THE SCOPE OF EXECUTIVE COMMITTEE AUTHORITY INCLUDES (1) TO ACT ON BEHALF OF THE BOARD WHILE THAT BODY IS ADJOURNED BETWEEN MEETINGS, SUBJECT TO REVIEW BY THE BOARD AT ITS NEXT MEETING, (2) TO DEVELOP A SYSTEM OF CORPORATE OBJECTIVES AND LONG-RANGE GOALS, (3) TO RECOMMEND TO THE BOARD THE APPOINTMENT AND REAPPOINTMENT OF MEDICAL STAFF MEMBERS AND THE GRANTING OF CLINICAL PRIVILEGES TO EACH MEMBER OF THE MEDICAL STAFF, (4) TO ENSURE APPROPRIATE BOARD REPRESENTATION AT ORGANIZATIONAL STRATEGIC PLANNING MEETINGS

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

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

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

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

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

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

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

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -41,672

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

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PHILHAVEN

Employer identification number
23-1548822

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) KE LLC 283 S BUTLER ROAD PO BOX 550 MT GRETNA, PA 17064 23-2647658	REAL ESTATE RENTAL	PA	N/A	UNRELATED	25,176	936,422		No	5,498	Yes		50 000 %

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

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

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

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

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

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	KE LLC	J	147,060	FMV
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Philhaven

Financial Statements and
Supplementary Information

June 30, 2012 and 2011

Philhaven

Table of Contents
June 30, 2012 and 2011

ParenteBeard

Independent Auditors' Report

Board of Directors
Philhaven

We have audited the accompanying combined balance sheet of Philhaven as of June 30, 2012 and 2011, and the related combined statements of operations and changes in net assets and cash flows for the years then ended These combined financial statements are the responsibility of Philhaven's management Our responsibility is to express an opinion on these combined financial statements based on our audits

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Philhaven as of June 30, 2012 and 2011, and the results of its operations, changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America

As disclosed in Note 2 to the financial statements, in 2012 Philhaven adopted new authoritative guidance for the presentation and disclosure of patient service revenue, the provision for doubtful collections, and the allowance for doubtful collections and also adopted the update to authoritative guidance pertaining to the presentation of insurance claims and related insurance recoveries

ParenteBeard LLC

Lancaster, Pennsylvania
November 28, 2012

Philhaven

Combined Balance Sheet
June 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	$ 3,153,699	$ 2,400,809
Assets limited as to use, grant agreements	1,004	1,004
Patient accounts receivable, net of allowances for uncollectible accounts of $267,917 in 2012 and $350,308 in 2011	7,039,760	6,786,677
Estimated settlements due from third-party payers	419,865	638,193
Prepaid expenses and other assets	976,839	1,446,720
Accounts receivable, insurance recovery	428,649	1,763,346
Unconditional promises to give	136,703	165,376
Total current assets	12,156,519	13,202,125
Investments	6,834,822	5,486,001
Assets Limited as to Use		
Board-designated	17,893	7,982
Donor restricted	284,779	285,894
Funds held by trustee for workers' compensation	39,848	40,223
Total assets limited as to use	342,520	334,099
Property, Equipment and Cattle, Net	12,135,531	11,888,762
Beneficial Interest in Irrevocable Trusts	394,099	406,346
Unconditional Promises to Give, Net	197,135	273,292
Investment in Limited Liability Company	936,422	936,246
Note Receivable	340,000	-
Other Assets	68,186	75,017
Total assets	$ 33,405,234	$ 32,601,888

See notes to combined financial statements

Philhaven

Combined Balance Sheet
June 30, 2012 and 2011

	2012	2011
Liabilities and Net Assets		
Current Liabilities		
Bank line of credit	$ 154,256	$ -
Current maturities of notes payable	501,614	372,831
Accounts payable	1,309,260	1,289,676
Accrued expenses	4,505,653	3,987,386
Advances and estimated settlements due to third-party payors	45,900	97,267
Total current liabilities	6,516,683	5,747,160
Notes Payable, Net of Current Maturities	3,142,928	3,550,487
Total liabilities	9,659,611	9,297,647
Net Assets		
Unrestricted	22,587,131	22,310,553
Temporarily restricted	690,674	513,623
Permanently restricted	467,818	480,065
Total net assets	23,745,623	23,304,241
Total liabilities and net assets	$ 33,405,234	$ 32,601,888

See notes to combined financial statements

Philhaven

Combined Statement of Operations and Changes in Net Assets
Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted Revenues, Gains, and Support		
Net patient service revenues	$ 54,993,776	$ 53,373,267
Provision for doubtful collections	(357,554)	(398,567)
Net patient service revenue less provision for doubtful collections	54,636,222	52,974,700
Sales	509,769	521,215
Grants	449,796	-
Other	408,275	369,315
Net assets released from restrictions used for operations	292,541	252,259
Total unrestricted revenues, gains, and support	56,296,603	54,117,489
Expenses		
Salaries and wages	36,725,833	34,363,121
Professional fees	1,333,049	818,814
Employee benefits	7,587,284	8,683,965
Supplies and expenses	9,041,050	8,289,922
Interest	253,791	292,075
Depreciation and amortization	1,774,717	1,749,454
Total expenses	56,715,724	54,197,351
Loss from operations	(419,121)	(79,862)
Non-Operating Gains (Losses)		
Investment return	107,061	148,569
Return of payments from insurers	400,000	3,812,609
Gifts and bequests	122,027	294,562
Fundraising expenses	(263,889)	(258,091)
Net assets released from restrictions used for		
Fund-raising expenses	562	827
Capital projects	220,442	13,350
Gains (loss) on sale of property and equipment	155,195	(7,309)
Income tax expense	(16,273)	(41,831)
Non-operating gains, net	725,125	3,962,686
Excess of revenue over expenses	306,004	3,882,824
Other Change in Unrestricted Net Assets, Net Unrealized (Losses) Gains on Investments	(29,426)	38,466
Increase in unrestricted net assets	276,578	3,921,290

See notes to combined financial statements

Philhaven

Combined Statement of Operations and Changes in Net Assets
Years Ended June 30, 2012 and 2011

	2012	2011
Temporarily Restricted Net Assets		
Gifts and bequests	$ 772,375	$ 89,398
Losses on pledges	(83,403)	-
Investment income	1,624	1,122
Net assets released from restrictions for		
Operating expense	(292,541)	(252,259)
Fund-raising expenses	(562)	(827)
Capital projects	(220,442)	(13,350)
Increase (decrease) in temporarily restricted net assets	177,051	(175,916)
Permanently Restricted Net Assets		
Investment losses	(12,247)	47,804
Increase (decrease) in permanently restricted net assets	(12,247)	47,804
Increase in net assets	441,382	3,793,178
Net Assets, Beginning of Year	23,304,241	19,511,063
Net Assets, End of Year	$ 23,745,623	$ 23,304,241

See notes to combined financial statements

Philhaven

Combined Statement of Cash Flows
Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Increase in net assets	$ 441,382	$ 3,793,178
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	1,774,717	1,749,454
(Gain) loss on sale of property and equipment	(155,195)	7,309
Provision for bad debts	357,554	398,567
Net unrealized and realized (gains) losses on investments	5,831	(67,771)
Income from investment in limited liability company	(25,176)	(55,636)
Restricted gifts and bequests	(706,865)	(89,398)
(Increase) decrease in the fair market value of beneficial interest in irrevocable trust	12,247	(47,804)
Changes in certain assets and liabilities		
Patient accounts receivable	(610,637)	(1,426,671)
Grant receivable	-	450,000
Prepaid expenses and other assets	2,027,586	(1,811,905)
Advances and estimated settlements due to third-party payors	(51,367)	-
Accounts payable and accrued expenses	358,493	390,983
Net cash provided by operating activities	3,428,570	3,290,306
Cash Flows from Investing Activities		
Purchase of property, equipment, and cattle	(2,117,937)	(1,480,158)
Purchase of investments and assets limited as to use	(1,711,053)	(440,981)
Proceeds from investments and assets limited as to use	347,980	-
Proceeds from the maturities and sales of investments and assets limited as to use	-	10,112
Proceeds from the sale of property and equipment	433,155	-
Issuance of notes receivable	(340,000)	-
Distribution from limited liability company	25,000	10,000
Net cash used in investing activities	(3,362,855)	(1,901,027)
Cash Flows from Financing Activities		
Cash received on restricted gifts and bequests	811,695	182,897
Net increase (decrease) in line of credit	154,256	(76,460)
Repayment of long-term debt	(278,776)	(351,291)
Net cash (used in) provided by financing activities	687,175	(244,854)
Net increase in cash and cash equivalents	752,890	1,144,425
Cash and Cash Equivalents, Beginning	2,400,809	1,256,384
Cash and Cash Equivalents, Ending	$ 3,153,699	$ 2,400,809

See notes to combined financial statements

Philhaven

Combined Statement of Cash Flows
Years Ended June 30, 2012 and 2011

	2012	2011
Supplementary Cash Flow Information		
Interest paid	$ 257,219	$ 294,604
Income taxes paid	$ 16,273	$ 33,371
Supplementary Disclosure of Noncash Investing Activities		
Acquisition of property, equipment, and cattle which have not been paid	$ 405,145	$ 225,787

See notes to combined financial statements

1. Organization and Basis of Presentation

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

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

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

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

2. Summary of Significant Accounting Policies

New Accounting Pronouncements

Charity Care

In August 2010, the Financial Accounting Standards Board ("FASB") issued amended disclosure guidance relating to the measurement of charity care provided The guidance requires that direct and indirect costs be used as the basis of 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 adoption of the amended guidance revised the disclosure in the notes to Philhaven's combined financial statements but did not impact amounts reported in the primary financial statements

Malpractice Claims

In August 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2010-24, Presentation of Insurance Claims and Related Insurance Recoveries which amended guidance relating to the presentation of insurance claims and related insurance recoveries The guidance clarifies that health care entities may not net insurance recoveries against a related claim liability In addition, the amount of the claim liability should be determined without consideration of insurance recoveries and estimated insurance recoveries, if any, should be measured and presented separately within the combined balance sheet The adoption of the amended guidance revised the disclosure in the notes to Philhaven's combined financial statements but did not impact amounts reported in the primary financial statements

Net Patient Service Revenue and Allowance for Doubtful Collections

Philhaven elected to adopt new authoritative guidance on patient service revenue, provision for bad debts, and the allowance for doubtful accounts for the year ended June 30, 2012 The objective of the new guidance is to provide financial statement users with greater transparency about a health care entity's net patient service revenues and related allowance for doubtful accounts

The new authoritative guidance requires the following changes to existing accounting practices

- Reclassification of the statement of operations to present the provision for bad debts from an operating expense to a deduction from patient service revenue, net of contractual allowances and discounts,
- Enhanced disclosure about policies for recognizing revenue and the provision for bad debts by major payor source of revenue, and qualitative and quantitative information about significant changes in the allowance for doubtful accounts related to patient accounts receivable, including significant estimates and underlying assumptions, self-pay write-offs, third-party write-offs, and uninsured transactions, and
- Disclosure of patient service revenue, net of contractual allowances and discounts, by major payor source

The new authoritative guidance also requires retrospective application related to presentation in the statement of operations, and prospective application to the disclosure requirements

As a result of adopting the new authoritative guidance, Philhaven reclassified its provision for bad debts in the statement of operations for the year ended June 30, 2011, decreasing total unrestricted revenues, gains, and other support and total expenses by $398,567 No other reclassifications or modifications have been made to the Philhaven's 2011 financial statements as a result of adoption

Pending Accounting Pronouncements

In 2011, FASB issued Accounting Standards Update ("ASU") No. 2011-04, "Fair Value Measurements and Disclosures (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." ASU No. 2011-04 includes new and clarified guidance on fair value measurements (highest and best use, equity instruments, managed net portfolio positions, and application of premiums and discounts) and disclosure (quantitative information, valuation processes and sensitivity of unobservable inputs, assets not in highest and best use, and assets not measured at fair value) ASU No 2011-04 is effective for periods beginning after December 15, 2011 ASU No 2011-04 will not have a material impact on the Hospital's financial statements, but may modify financial statement disclosures for fair value measurements

Use of Estimates

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

Cash and Cash Equivalents

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

Accounts Receivable, Patients

Accounting receivable, patients 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 In evaluating the collectibility of patient accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts For receivables associated with services provided to patients who have third-party coverage, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Hospital analyzes contractual amounts due and provides an allowance for doubtful accounts and a provision for bad debts, if necessary For receivables associated with self-pay patients, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the billed rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

The Hospital's allowance for doubtful accounts for self-pay patients is 32% and 48% of self-pay accounts receivable as of June 30, 2012 and June 30, 2011, respectively The decrease is directly related to an adjustment made by management to more accurately reflect the allowance balance based on historical write-offs In addition, the Hospital's total account write-offs (net of recoveries) decreased to $264,828 in 2012 from $432,617 in 2011 The decrease was primarily related to the result of decrease in self-pay volumes The Hospital has not changed its financial assistance policy in 2012 or 2011

Investments, Assets Limited as To Use and Investment Income

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

Assets limited as to use include designated assets set aside by the Board of Directors for future capital improvements, charity care uses, and a board designated endowment over which the Board retains control, assets held by trustees which are self-insurance trust arrangements in accordance with the Pennsylvania Workers' Compensation Act amounts and amounts restricted by donors Amounts required to meet current obligations are reported as current assets $1,004 of the assets limited as to use were reported as current assets at both June 30, 2012 and 2011

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

Property, Equipment and Cattle

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

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

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

Donor-Restricted Gifts

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

Unconditional Promises to Give

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

Philhaven estimates the fair value of donations that expected to be collected after one year using present value techniques and market interest rates in effect on the date of the donation and a related discount is recorded Discount amortization is included in donation revenue as the associated pledges reach maturity The fair value of donations that are expected to be collected within one year is estimated at net realized value Philhaven believes all donations will be collected in accordance with stipulated terms and not provided an allowance for uncollectible pledges

Unconditional promises to give at June 30, 2012 and 2011 are as follows

	2012	2011
Building Family Resources Campaign	$ 17,500	$ 70,976
Caring Fund	25,911	1,005
Other restricted	76	309
Unrestricted	295,951	375,578
	$ 339,438	$ 447,868
Receivable in less than one year	$ 136,703	$ 165,376
Receivable in one to five years	202,735	282,492
	339,438	447,868
Less discount to net present value	(5,600)	(9,200)
	$ 333,838	$ 438,668

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

Beneficial Interest in Irrevocable Trust

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

Estimated Medical Malpractice Claims Liability

The provision for estimated medical malpractice claims liability includes estimates of the ultimate costs for both reported claims and claims incurred but not reported, including costs associated with litigating or settling claims Anticipated insurance recoveries associated with reported claims are reported separately in Philhaven's balance sheet at net realizable value

Investment in Limited Liability Company

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

Temporarily Restricted Net Assets

Temporarily restricted net assets represent those whose use has been limited by donors to a specific time period or purpose Temporarily restricted net assets are released from donor restrictions when expenses are incurred or time period expires satisfying the restricted purposes Net assets of $513,545 and $266,436 were released from restrictions in 2012 and 2011, respectively

Permanently Restricted Net Assets

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

Performance Indication

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

Net Patient Service Revenue

Philhaven has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments, and contracted amounts Philhaven recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of these established rates for the services rendered For uninsured patients that do not qualify for charity care, Philhaven recognizes revenues on the basis of its standard rates, discounted in accordance with the Philhaven's policy. On the basis of historical experience, a significant portion of the Philhaven's uninsured patients will be unable or unwilling to pay for the services provided Thus, Philhaven records a significant provision of bad debts related to uninsured patients in the period the services are provided Patient service revenues, net of contractual allowances and discounts (but before the provision of bad debts), recognized in 2012 and 2011 from these major payor sources, are as follows

	June 30, 2012			
	Third-Party Government Payors	Third-Party Commercial Payors	Self-Pay	Total
Patient service revenues (net of contractual allowances and discounts)	$ 38,968,589	$ 13,539,468	$ 2,485,719	$ 54,993,776
	June 30, 2011			
Patient service revenues (net of contractual allowances and discounts)	$ 37,211,842	$ 13,492,762	$ 2,668,663	$ 53,373,267

Charity Care and Community Service

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

Philhaven maintains records to identify and monitor the level of charity care it provides A patient is classified as a charity care patient by reference to established policies of Philhaven. These policies utilize the Department of Health and Human Services' Poverty Levels as guidelines for eligibility for charity care The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care The level of charity care provided by Philhaven amounted to approximately $101,823 in 2012 and $81,361 in 2011

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

Income Taxes

Philhaven is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The Farm's income is taxable for federal purposes as unrelated business income Philhaven and the Farm prescribe a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority in recording tax liabilities in the financial statements Measurement and recognition of the tax uncertainty occurs if the recognition threshold has been met No such liabilities are recorded at June 30, 2012 and 2011 The Organization's federal Exempt Organization Business Income Tax Returns for the years ended June 30, 2011, 2010, and 2009 remain subject to examination by the Internal Revenue Service

Subsequent Events

Philhaven has evaluated subsequent events through November 28, 2012, which is the date these financial statements were available to be issued

Reclassifications

Certain items relating to 2011 have been reclassified to conform to the 2012 reporting format

3. Net Patient Service Revenue

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

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

Philhaven's Medicare cost reports have been finalized through the year ended June 30, 2011 Differences between the estimated and final settlements are recorded in the year of settlement In the opinion of management, adequate provision has been made for any adjustment that may result from the final settlement of these reports Net patient service revenue for 2012 and 2011 include no favorable (unfavorable) settlements of prior-year cost reports

Combined revenues from the Medicare and Medical Assistance programs constitute approximately 71% and 70% of Philhaven's net patient service revenue for the years ended June 30, 2012 and 2011, respectively Laws and regulations governing the Medicare and Medical Assistance programs are extremely complex and subject to interpretation, and noncompliance could be subject to significant regulatory action, including fines and penalties As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

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

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

4. Investments and Assets Limited as to Use

The composition of investments is set forth in the following table

	June 30, 2012	June 30, 2011
Investments		
Mutual funds	$ 330,140	$ 315,771
Bonds		
Government	1,813,679	1,908,860
Municipal	3,965,044	1,985,673
International	250,402	-
Corporate	475,557	1,275,697
	$ 6,834,822	$ 5,486,001

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

	June 30, 2012	June 30, 2011
Externally designated by grant agreement, cash	$ 1,004	$ 1,004
Internally designated by Board of Directors, cash	$ 17,893	$ 7,982
Externally designated by donors		
Cash and cash equivalents	$ 17,561	$ 21,526
Mutual funds	81,614	83,923
Bonds		
Government	50,075	75,102
Municipal	40,046	5,038
Certificate of deposit	95,483	100,305
	$ 284,779	$ 285,894
Externally designated under workers' compensation trust agreement, cash	$ 39,848	$ 40,223

Investment return is comprised of the following

	Year Ended June 30, 2012	Year Ended June 30, 2011
Interest income	$ 58,290	$ 63,628
Income in investment in Limited Liability Company	25,176	55,636
Net realized gains on investments	23,595	29,305
Total investment return	$ 107,061	$ 148,569

5. Property, Equipment and Cattle

	June 30, 2012			
	Hospital	Farm	Total	Estimated Useful Lives in Years
Land	$ 355,952	$ -	$ 355,952	
Land improvements and buildings	15,845,325	651,013	16,496,338	40
Furniture, fixtures and equipment	23,110,302	497,740	23,608,042	5-15
Transportation equipment	913,272	-	913,272	4
Cattle	-	177,588	177,588	5
Construction in process	795,409	-	795,409	
	41,020,260	1,326,341	42,346,601	
Accumulated depreciation	(29,295,603)	(915,467)	(30,211,070)	
	$ 11,724,657	$ 410,874	$ 12,135,531	

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

Depreciation expense was 1,772,566 and $1,747,087 for the years ended June 30, 2012 and 2012, respectively There was $1,588,040 in construction commitments as of June 30, 2012 related to room renovations and building construction

6. Investment in Limited Liability Company

Condensed financial information of KE LLC as of and for the periods ended June 30, 2012 and 2011 is as follows

	2012	2011
Assets		
Current assets	$ 126,427	$ 71,713
Property and equipment, net	1,224,332	1,278,405
Other assets	-	288
	$ 1,350,759	$ 1,350,406
Partners' Equity		
Partners' equity	$ 1,350,759	$ 1,350,406
Net revenues	$ 166,321	$ 229,448
Expenses, net	(115,968)	(118,176)
	$ 50,353	$ 111,272

Philhaven received distributions from KE LLC of $25,000 and $10,000 during the years ended June 30, 2012 or 2011, respectively

7. Long-Term Debt

	June 30, 2012	June 30, 2011
Eastern Mennonite Missions, shared first mortgage on certain real property located on main campus, bearing interesting at 5 25% (adjusting in April 2015), payable in monthly payments of $32,519 including interest, due June 2020	$ 2,522,501	$ 2,773,113
Everence Financial Credit Union, shared first mortgage on certain real property located on main campus, bearing interesting at 6 25% (adjusting in May 2015), payable in monthly payments of $9,892 including interest, due June 2017	497,496	585,251
Fulton Bank, second mortgage on certain real property located on main campus, bearing interest at 3 25%, payable in monthly payments of $5,326, including interest, due January 2022	524,545	564,954
In September 2011, Philhaven was the recipient of a $100,000 interest free loan that is payable upon demand at any time after October 1, 2012	100,000	-
	3,644,542	3,923,318
Current portion	(501,614)	(372,831)
	$ 3,142,928	$ 3,550,487

Aggregate maturities on long-term debt as of June 30, 2012 are due in future years as follows

Year ending June 30	
2013	$ 501,614
2014	423,173
2015	445,920
2016	469,920
2017	484,574
Thereafter	1,319,341
	$ 3,644,542

Line of Credit

Philhaven has available an unsecured line of credit totaling $4,000,0000 with an interest rate equal to the 1 month LIBOR rate plus 235 basis points (4 00% at June 30, 2012 and 2011) Interest cannot fall below 4 00% This line of credit had $154,256 and $-0- outstanding at June 30, 2012 and 2011, respectively This line of credit expired November 1, 2012, and is currently under negotiations to extend Management believes this line of credit will renew without interruption to operations

In connection with certain loan agreements, Philhaven is required to meet certain financial ratios Philhaven was in compliance with all ratios at June 30, 2012

8. Accrued Expenses

Accrued expenses consist of the following at June 30

	2012	2011
Payroll	$ 2,121,102	$ 1,853,826
Payroll taxes	75,841	92,754
Compensated absences	1,195,365	1,137,837
Workers' compensation	399,746	450,360
Insurance	494,143	221,849
Interest	14,770	18,196
Other	204,686	212,564
	$ 4,505,653	$ 3,987,386

9. Pension Plan

Philhaven has a defined contribution 401(k) plan covering substantially all employees Participants may generally contribute into the plan up to a maximum of 100% of their annual salary, not to exceed $17,000 and 16,500 for 2012 and 2011, respectively For employees age fifty or older provisions allow for contributions up to $22,000 Prior to January 2011, the plan provided for an annual employer base contribution and a matching contribution both at Philhaven's discretion Pension expense, including fees, was $410,312 and $385,779 for the years ended June 30, 2012 and 2011, respectively

10. Net Assets

Temporarily restricted net assets consist of the following at June 30

	June 30, 2012	June 30, 2011
Caring Fund	$ 37,272	$ 27,794
Building Family Resources	226,671	411,725
Plain Community Clinic Building	343,740	-
Other	82,991	74,104
	$ 690,674	$ 513,623

Permanently restricted net assets consist of the following at June 30

	June 30, 2012	June 30, 2011
Irrevocable Trusts	$ 394,099	$ 406,346
Endowment	73,719	73,719
	$ 467,818	$ 480,065

11. Commitments and Contingencies

Workers' Compensation Insurance

Philhaven is self-insured for workers' compensation claims in accordance with the Department of Labor and Industry for Self-Insurance status under the Pennsylvania Worker's Compensation Act (the Act) As required under the Act, Philhaven obtained a letter of credit in the amount of $700,000 and established a trust fund to provide a source of funds and to maintain reserves solely for the payment of workers' compensation benefits At June 30, 2012 and 2011, Philhaven has accrued $399,746 and $450,360, respectively, for potential losses These amounts were included in accrued expenses in the accompanying balance sheets

Litigation

Philhaven is involved in certain litigation, which involves professional and general liability In the opinion of management, all claims are covered under its general liability insurance and other available insurance programs Management believes the ultimate claim liabilities and related Insurance Recoveries are not material to the financial condition of Philhaven

Operating Leases

Philhaven leases office space under various building lease arrangements Total rental expense for operating leases was $729,844 and $713,931 for the years ended June 30, 2012 and 2011, respectively Minimum future rental payments on noncancelable operating leases with terms in excess of one year at June 30, 2011 are as follows

2013	$ 541,882
2014	239,412
2015	48,943

12. Related Party Transactions

At June 30, 2012 and 2011, Philhaven has outstanding unconditional promises to give from members of its Board of Directors totaling $22,165 and $39,900, respectively

Philhaven rents office space from KE LLC, of which it owns 50% (Note 6) Total rental expense incurred to KE LLC amounted to $147,060 and $153,690 for the years ended June 30, 2012 and 2011, respectively

13. Functional Expenses

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

	June 30, 2012	June 30, 2011
Health care services	$ 49,990,828	$ 47,764,734
General and administrative	6,284,307	6,045,360
Farm expenses	440,589	387,257
Subtotal	56,715,724	54,197,351
Fundraising expenses (included in non-operating activities)	263,889	258,091
Total	$ 56,979,613	$ 54,455,442

14. Concentrations of Credit Risk

Financial instruments which subject Philhaven to concentrations of credit risk consist primarily of cash and cash equivalents, including overnight repurchase agreements, investments, interest-bearing deposits and patient receivables

Philhaven's cash and cash equivalent balances on deposit with any one financial institution are insured to FDIC limits

In addition to the cash and cash equivalents noted above, board-designated, donor-restricted funds, and unrestricted investments consist of variable demand notes, and debt and equity securities, the market value of which is subject to various market fluctuations including changes in the interest rate environment and general economic conditions

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

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

	June 30,	
	2012	2011
Medicare	16 %	11 %
Medical Assistance	47	52
Blue Cross	9	8
Other third-party payors	16	15
Patients	12	14
	100 %	100 %

15. Fair Value Measurements

Philhaven measures its assets whose use is limited, investments, and beneficial interests in perpetual trusts on a recurring basis in accordance with accounting principles generally accepted in the United States of America

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to dispose of a liability in an orderly transaction between market participants at the measurement date The framework 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 Philhaven 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

The financial instruments were measured with the following inputs at June 30, 2012 and 2011

	2012			
	Total	(Level 1) Quoted Prices in Active Markets for Identical Assets	(Level 2) Significant Other Observable Inputs	(Level 3) Significant Unobservable Inputs
Investments and assets limited as to use (excluding current assets)				
Cash	$ 18,565	$ 18,565	$ -	$ -
Mutual funds	469,495	469,495	-	-
Bonds				
Government	1,863,754	1,863,754	-	-
Municipal	4,005,090	4,005,090	-	-
Corporate	475,557	475,557	-	-
International	250,402	250,402	-	-
Certificates of deposit	95,483	95,483	-	-
	$ 7,178,346	$ 7,178,346	$ -	$ -
Beneficial interest in irrevocable trusts	$ 394,099	$ -	$ -	$ 394,099

	2011			
Investments and assets limited as to use (excluding current assets)				
Cash	$ 70,735	$ 70,735	$ -	$ -
Mutual funds	399,694	399,694	-	-
Bonds				
Government	1,983,962	1,983,962	-	-
Municipal	1,990,711	1,990,711	-	-
Corporate	1,275,697	1,275,697	-	-
Certificates of deposit	100,305	100,305	-	-
	$ 5,821,104	$ 5,821,104	$ -	$ -
Beneficial interest in irrevocable trusts	$ 406,346	$ -	$ -	$ 406,346

17. Self-Funded Employee Health Insurance Plan

Philhaven began to self insure its employee health insurance coverage effective January 1, 2012 Philhaven accrues the estimated costs of incurred and reported and incurred but not reported claims, after consideration of its stop-loss insurance coverages, based upon data provided by the third-party administrator of the program and its historical claims experience The amount accrued at June 30, 2012 totaled $280,000 This amount is included in accrued expenses in the combined balance sheet at June 30, 2012

18. Notes Receivable, Solar Project

Philhaven entered into a 72 month Retail Electricity Agreement for partnership with HHG, LLC in October 2011 The agreement consists of installation of solar panels located at Philhaven's Lebanon location which the Farm is the beneficiary of the energy provided at a discounted fixed rate from HHG, LLC The agreement included a $340,000 note to HHG, LLC which accrues interest at an annual rate of 5% and calls for interest only payments until maturity in October 2017 No principal payments have been received on this note as of June 30, 2012 Philhaven will have the option to inherit ownership of the system at the end of the term

ParenteBeard

Independent Auditors' Report on Supplementary Information

Board of Directors
Philhaven

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole The supplementary information presented on pages 30 to 33 is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the combined financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole

ParenteBeard LLC

Lancaster, Pennsylvania
November 28, 2012

Philhaven

Combining Balance Sheet
June 30, 2012 and 2011

	2012			2011		
	Hospital	Farm	Total	Hospital	Farm	Total
Assets						
Current Assets						
Cash and cash equivalents	$ 3,080,711	$ 72,987	$ 3,153,698	$ 2,343,696	$ 65,095	$ 2,408,791
Assets limited as to use, grant agreements	1,005	-	1,005	1,004	-	1,004
Patient accounts receivable, net of allowances for uncollectible accounts of $267,917 in 2012 and $350,308 in 2011	7,039,760	-	7,039,760	6,786,677	-	6,786,677
Estimated settlements due from third-party payers	419,865	-	419,865	638,193	-	638,193
Prepaid expenses and other assets	943,709	33,130	976,839	1,390,308	56,412	1,446,720
Accounts receivable, insurance recovery	428,649	-	428,649	1,763,346	-	1,763,346
Unconditional promises to give	136,703	-	136,703	165,376	-	165,376
Total current assets	12,050,402	106,117	12,156,519	13,088,600	121,507	13,210,107
Investments	6,514,682	320,140	6,834,822	5,170,230	315,771	5,486,001
Assets Limited as to Use						
Board-designated	17,893	-	17,893	-	-	-
Donor restricted	284,779	-	284,779	285,894	-	285,894
Funds held by trustee for workers' compensation	39,848	-	39,848	40,223	-	40,223
Total assets limited as to use	342,520	-	342,520	326,117	-	326,117
Property, Equipment and Cattle, Net	11,724,657	410,874	12,135,531	11,545,269	343,493	11,888,762
Beneficial Interest in Irrevocable Trusts	394,099	-	394,099	406,346	-	406,346
Unconditional Promises to Give, Net	197,135	-	197,135	273,292	-	273,292
Investment in Limited Liability Company	936,422	-	936,422	936,246	-	936,246
Notes Receivable	340,000	-	340,000	-	-	-
Other Assets	68,186	-	68,186	75,017	-	75,017
Total assets	$ 32,568,103	$ 837,131	$ 33,405,234	$ 31,821,117	$ 780,771	$ 32,601,888

Philhaven

Combining Balance Sheet
June 30, 2012 and 2011

	2012			2011		
	Hospital	Farm	Total	Hospital	Farm	Total
Liabilities and Net Assets						
Current Liabilities						
Bank line of credit	$ 154,256	$ -	$ 154,256	$ -	$ -	$ -
Current installments of long-term debt	501,614	-	501,614	372,831	-	372,831
Accounts payable	1,304,891	4,369	1,309,260	1,285,250	4,426	1,289,676
Accrued expenses	4,521,575	(15,922)	4,505,653	3,995,418	(8,032)	3,987,386
Advances and estimated settlements due to third-party payors	45,900	-	45,900	97,267	-	97,267
Total current liabilities	6,528,236	(11,553)	6,516,683	5,750,766	(3,606)	5,747,160
Long-Term Debt, Net	3,142,928	-	3,142,928	3,550,487	-	3,550,487
Total liabilities	9,671,164	(11,553)	9,659,611	9,301,253	(3,606)	9,297,647
Net Assets						
Unrestricted	21,738,447	848,684	22,587,131	21,526,176	784,377	22,310,553
Temporarily restricted	690,674	-	690,674	513,623	-	513,623
Permanently restricted	467,818	-	467,818	480,065	-	480,065
Total net assets	22,896,939	848,684	23,745,623	22,519,864	784,377	23,304,241
Total liabilities and net assets	$ 32,568,103	$ 837,131	$ 33,405,234	$ 31,821,117	$ 780,771	$ 32,601,888

Philhaven

Combining Statement of Operations and Changes in Unrestricted Net Assets
Years Ended June 30, 2012 and 2011

	2012			2011		
	Hospital	Farm	Total	Hospital	Farm	Total
Unrestricted Net Assets						
Net patient service revenues	$ 54,993,776	$ -	$ 54,993,776	$ 53,373,267	$ -	$ 53,373,267
Provision for doubtful collections	(357,554)	-	(357,554)	(398,567)	-	(398,567)
Net patient service revenue less provision for doubtful collections	54,636,222	-	54,636,222	52,974,700	-	52,974,700
Sales	-	509,769	509,769	-	521,215	521,215
Grants	449,796	-	449,796	-	-	-
Other	402,501	5,774	408,275	363,611	5,704	369,315
Net assets released from restrictions used for operations	292,541	-	292,541	252,259	-	252,259
Total unrestricted net assets	55,781,060	515,543	56,296,603	53,590,570	526,919	54,117,489
Expenses						
Salaries and wages	36,725,833	-	36,725,833	34,363,121	-	34,363,121
Professional fees	1,259,373	73,676	1,333,049	746,153	72,661	818,814
Employee benefits	7,587,284	-	7,587,284	8,683,965	-	8,683,965
Supplies and expenses	8,707,857	333,193	9,041,050	8,010,223	279,699	8,289,922
Interest	253,791	-	253,791	292,075	-	292,075
Depreciation and amortization	1,740,997	33,720	1,774,717	1,714,556	34,898	1,749,454
Total expenses	56,275,135	440,589	56,715,724	53,810,093	387,258	54,197,351
Income (loss) from operations	(494,075)	74,954	(419,121)	(219,523)	139,661	(79,862)

Philhaven

Combining Statement of Operations and Changes in Unrestricted Net Assets
Years Ended June 30, 2012 and 2011

	2012			2011		
	Hospital	Farm	Total	Hospital	Farm	Total
Non-Operating Gains (Losses)						
Investment return	$ 99,325	$ 7,736	$ 107,061	$ 135,870	$ 12,699	$ 148,569
Return of premium from health insurance plan	400,000	-	400,000	3,812,609	-	3,812,609
Gifts and bequests	122,027	-	122,027	294,562	-	294,562
Fundraising expenses	(263,889)	-	(263,889)	(258,091)	-	(258,091)
Net assets released from restrictions used for fund-raising expenses	562	-	562	827	-	- 827
Net assets released from restrictions used for capital projects	220,442	-	220,442	13,350	-	13,350
Gain on sale of property and equipment	155,195	-	155,195	(7,309)	-	(7,309)
Income tax expense	-	(16,273)	(16,273)	-	(41,831)	(41,831)
Non-operating gains (losses), net	733,662	(8,537)	725,125	3,991,818	(29,132)	3,962,686
Excess (deficiency) of revenue over expenses	239,587	66,417	306,004	3,772,295	110,529	3,882,824
Other Change in Unrestricted Net Assets, Net Unrealized Gains (Losses) on Investments	(27,315)	(2,111)	(29,426)	(6,120)	44,586	38,466
Increase in unrestricted net assets	$ 212,272	$ 64,306	$ 276,578	$ 3,766,175	$ 155,115	$ 3,921,290