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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

GOOD SHEPHERD REHABILITATION NETWORK

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

GOOD SHEPHERD PLAZA 850 S 5TH ST

Room/suite

City or town, state or country, and ZIP + 4

ALLENTOWN, PA 18103

F Name and address of principal officer

DANIEL C CONFALONE

GOOD SHEPHERD PLAZA 850 S 5TH ST

ALLENTOWN, PA 18103

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

WWW.GOODSHEPHERDREHAB.ORG

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation 1908

M State of legal domicile PA

Part I

Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO ENHANCE LIVES, MAXIMIZE FUNCTION, INSPIRE HOPE, AND PROMOTE DIGNITY AND WELL-BEING		
Revenue	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	18
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	0
	6 Total number of volunteers (estimate if necessary)	6	204
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	120,480
	7b Net unrelated business taxable income from Form 990-T, line 34	7b	118,980
	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
		3,468,259	5,046,851
		46,120,860	45,276,786
		6,279,779	3,108,258
		1,322,105	1,157,987
Expenses	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	57,191,003	54,589,882
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,058,601	1,884,894
	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)	28,910,390	27,746,002
	16a Professional fundraising fees (Part IX, column (A), line 11e)	39,000	39,000
	16b Total fundraising expenses (Part IX, column (D), line 25)		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	22,251,179	26,888,128
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	53,259,170	56,558,024
Net Assets or Fund Balances	19 Revenue less expenses Subtract line 18 from line 12	3,931,833	-1,968,142
	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
		286,837,775	292,454,771
		148,960,594	161,762,198
		137,877,181	130,692,573

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

Signature of officer

2013-05-07

Date

DANIEL C CONFALONE SVP FINANCE/CFO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

JULIUS GREEN CPA

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

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

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

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

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 \$	36,057,709	including grants of \$	1,884,894	(Revenue \$	45,049,451
	GOOD SHEPHERD REHABILITATION NETWORK ("GSRN"), BASED IN ALLENTOWN, PENNSYLVANIA IS A NATIONALLY RECOGNIZED REHABILITATION LEADER, OFFERING A CONTINUUM OF CARE FOR PEOPLE WITH PHYSICAL AND COGNITIVE DISABILITIES AND SPECIALIZING IN ASSISTIVE AND REHABILITATION TECHNOLOGY. IN FISCAL YEAR 2012, GOOD SHEPHERD'S LEHIGH VALLEY BASED FACILITIES SERVED MORE THAN 43,000 PEOPLE AT THEIR 36 LOCATIONS IN THE REGION. SPECIALIZED INPATIENT AND OUTPATIENT POST-ACUTE CARE PROGRAMS OFFERED BY GSRN INCLUDE STROKE, ORTHOPEDICS, BRAIN INJURY, SPINE AND JOINT PAIN, SPINAL CORD INJURY, PEDIATRICS, MULTIPLE SCLEROSIS AND AMPUTATION. GOOD SHEPHERD OPERATES 26 OUTPATIENT SITES, 5 INPATIENT SITES, A LONG-TERM ACUTE CARE HOSPITAL, 2 LONG-TERM CARE HOMES FOR PEOPLE WITH SEVERE DISABILITIES, AND AN INDEPENDENT LIVING FACILITY. GOOD SHEPHERD ALSO IS THE MAJORITY OWNER OF A JOINT VENTURE WITH PENN MEDICINE IN PHILADELPHIA, PENNSYLVANIA. GOOD SHEPHERD PENN PARTNERS ("GSPP") PROVIDES THE PHILADELPHIA REGION WITH A CONTINUUM OF POST-ACUTE CARE THAT INCLUDES INPATIENT AND OUTPATIENT REHABILITATION AND LONG-TERM ACUTE CARE. TEN GSPP PENN THERAPY & FITNESS LOCATIONS PROVIDE OUTPATIENT REHABILITATION SERVICES THROUGHOUT THE GREATER PHILADELPHIA AREA, WHILE PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY SERVICES ARE PROVIDED WITHIN PENN MEDICINE'S THREE ACUTE-CARE HOSPITALS. APPROXIMATELY 18,000 PERSONS IN THE GREATER PHILADELPHIA AREA RECEIVED CARE IN FISCAL YEAR 2012. GSRN WAS FOUNDED IN 1908 WHEN THE REV. JOHN AND ESTELLA RAKER INVITED A DISABLED ORPHAN NAMED VIOLA INTO THEIR ALLENTOWN, PENNSYLVANIA HOME. GSRN IS AFFILIATED WITH THE EVANGELICAL LUTHERAN CHURCH IN AMERICA AND PROVIDES REHABILITATION SERVICES IN 8 EASTERN PENNSYLVANIA COUNTIES. GSRN PROVIDES MANAGEMENT SERVICES IN SUPPORT OF THE REHABILITATION HEALTH-CARE MISSION OF ITS TAX-EXEMPT AFFILIATES. GOOD SHEPHERD'S MISSION IS "MOTIVATED BY THE DIVINE GOOD SHEPHERD AND THE PHYSICAL AND COGNITIVE REHABILITATION NEEDS OF OUR COMMUNITIES, OUR MISSION IS TO ENHANCE LIVES, MAXIMIZE FUNCTION, INSPIRE HOPE, AND PROMOTE DIGNITY AND WELL-BEING WITH EXPERTISE AND COMPASSION." GSRN IS THE PARENT ORGANIZATION OF 6 TAX-EXEMPT AFFILIATES THAT OFFER MANY LEVELS OF REHABILITATION CARE. GSRN IS ALSO THE PARENT ORGANIZATION OF ONE TAXABLE AFFILIATE THAT IS A SELF-INSURANCE COMPANY. AS THE PARENT ORGANIZATION, GSRN OPERATES ALL CORPORATE ADMINISTRATIVE FUNCTIONS FOR THE GOOD SHEPHERD AFFILIATES, INCLUDING BUT NOT LIMITED TO ADMINISTRATION, DIETARY, FINANCE, FUNDRAISING, HUMAN RESOURCES, INFORMATION SYSTEMS, MAINTENANCE, MARKETING AND PASTORAL CARE.						

[illegible][illegible]

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

4e	Total program service expenses	\$ 36,057,709
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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)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (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? <i>If "Yes," complete Schedule C, Part I.</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? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	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? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	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, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	Yes
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Part I.</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 ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	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 ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I.</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? <i>If "Yes," complete Schedule G, Part II.</i> 	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> 	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
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	

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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	Yes	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i>	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? <i>If "Yes," complete Schedule L, Part III</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	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	275		
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b			
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			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	Section 501(c)(7) organizations. Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11	Section 501(c)(12) organizations. Enter				
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			
13	Section 501(c)(29) qualified nonprofit health insurance issuers.				
a	Is the organization licensed to issue qualified health plans in more than one state? Note. 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		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?		No
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?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?		No
10b	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?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	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	Yes	
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	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?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	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?		No
16b	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?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	PA , FL , MN
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you 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.	DANIEL C CONFALONE SVP FINANCECF GOOD SHEPHERD PLAZA 850 SOUTH 5TH ALLENTOWN, PA 18103 (610) 776-3303

Part VII

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

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

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

- 1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, 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) SCOTT A BAKER SECRETARY	30	X		X				0	0	0
(2) SANDRA L BODNYK TREASURER	40	X		X				0	0	0
(3) PATRICK J BRENNAN MD TRUSTEE	30	X						0	0	0
(4) ADDIE J BUTLER EDD TRUSTEE	30	X						0	0	0
(5) DAVID G DECAMPLI CHAIR	70	X		X				0	0	0
(6) ROBERT E GADOMSKI TRUSTEE	30	X						0	0	0
(7) MICHAEL GOLDNER DO TRUSTEE	20	X						0	0	0
(8) ELSBETH G HAYMON TRUSTEE	30	X						0	0	0
(9) KATHERINE E HILGERT TRUSTEE	20	X						0	0	0
(10) SANDRA JARVA WEISS VICE CHAIR	20	X		X				0	0	0
(11) JAAN PETER NAKTIN MD TRUSTEE	20	X						0	0	0
(12) GERALD A NAU TRUSTEE	20	X						0	0	0
(13) EDITH D RITTER TRUSTEE	20	X						0	0	0
(14) GARY R SCHMIDT TRUSTEE	30	X						0	0	0
(15) LAURIE STEWART TRUSTEE	30	X						0	0	0
(16) THE REV DAVID R STROBEL TRUSTEE	20	X						0	0	0
(17) DANIEL J WILSON PHD TRUSTEE	30	X						0	0	0

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (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) SARA T GAMMON PRESIDENT/CEO	30 00	X		X				670,551	0	244,647
(19) DANIEL C CONFALONE SVP FINANCE/CFO	22 00			X				363,344	0	26,993
(20) PHILLIP R BRYANT CMO	7 50				X			346,097	0	23,695
(21) SAMUEL A MIRANDA JR CNO	10 00				X			249,988	0	39,812
(22) ALLEN M KHADEMI VP MEDICAL AFFAIRS	30 00					X		326,327	0	25,771
(23) HAROLD M TING SVP STRATEGIC PLANNING	30 00					X		220,690	0	19,278
(24) RONALD J PETULA VP FINANCE	22 00					X		162,716	0	17,223
(25) DAVID F LYONS VP DEVELOPMENT	30 00					X		157,634	0	17,169
(26) FRANK HYLAND VP REHAB SERVICES	30 00					X		154,746	0	14,845
(27) ANTHONY R BONGIOVANNI FORMER CPO	0 00						X	384,545	0	25,784
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,036,638	0	455,217

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▶18

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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
SODEXHO OPERATIONS LLC 4880 PAYSHERE CIRCLE CHICAGO, IL 60674	DIETARY/FOOD SERVICES	1,742,509
EASTON COACH COMPANY 1200 CONROY PLACE EASTON, PA 18040	TRANSPORTATION SERVICES	553,154
MILLER MILLER AND MCLACHLAN INC 1249 NEWPORT AVENUE NORTHAMPTON, PA 18067	GENERAL CONTRACTOR	421,891
HCSC LAUNDRY PO BOX 25092 LEHIGH VALLEY, PA 18002	LAUNDRY SERVICES	369,225
FINANCIAL RECOVERIES 200 EAST PARK DRIVE SUITE 100 MOUNT LAUREL, NJ 08054	COLLECTION SERVICES	336,332
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 ▶18		

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a	39,181				
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	5,007,670				
	g	Noncash contributions included in lines 1a-1f \$ 71,258						
	h	Total. Add lines 1a-1f			5,046,851			
Program Service Revenue			Business Code					
	2a	MANAGEMENT FEES	561000	45,049,451	45,049,451			
	b	HEALTH NETWORK LABS RE	621500	227,335		227,335		
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			45,276,786			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		4,761,968			4,761,968	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		Gross rents	139,515					
		b Less rental expenses	246,370					
		c Rental income or (loss)	-106,855					
	d	Net rental income or (loss)		-106,855		-106,855		
	7a	(i) Securities		(ii) Other				
		Gross amount from sales of assets other than inventory		3,764				
		b Less cost or other basis and sales expenses	1,657,474	0				
		c Gain or (loss)	-1,657,474	3,764				
	d	Net gain or (loss)		-1,653,710			-1,653,710	
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from gaming activities . .						
	10a	Gross sales of inventory, less returns and allowances	a					
b	Less cost of goods sold	b						
c	Net income or (loss) from sales of inventory . .							
Miscellaneous Revenue		Business Code						
11a	EXPENSE REIMBURSEMENT	900099	1,182,813			1,182,813		
b	PROFESSIONAL SERVICES	900099	54,650			54,650		
c	MISCELLANEOUS REVENUE	900099	19,735			19,735		
d	All other revenue		7,644			7,644		
e	Total. Add lines 11a-11d			1,264,842				
12	Total revenue. See Instructions			54,589,882	45,049,451	120,480	4,373,100	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
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	1,884,894	1,884,894		
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	1,938,840	564,436	1,374,404	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	441,852		441,852	
7	Other salaries and wages	12,861,017	7,159,170	4,967,021	734,826
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,700,155	2,721,598	-53,147	31,704
9	Other employee benefits	8,802,022	7,922,098	786,424	93,500
10	Payroll taxes	1,002,116	546,593	405,253	50,270
11	Fees for services (non-employees)				
a	Management				
b	Legal	135,630		129,130	6,500
c	Accounting	151,335		151,335	
d	Lobbying				
e	Professional fundraising See Part IV, line 17	39,000			39,000
f	Investment management fees	693,323		693,323	
g	Other	7,251,913	4,257,546	2,844,241	150,126
12	Advertising and promotion	526,445	12,666	510,814	2,965
13	Office expenses	1,720,819	1,013,906	403,834	303,079
14	Information technology				
15	Royalties				
16	Occupancy	1,111,820	1,111,820		
17	Travel	119,894	41,826	65,848	12,220
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	12,900		12,900	
20	Interest	5,685,774	5,685,774		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,311,370	2,237,810		73,560
23	Insurance	4,593,840	10,185	4,583,655	
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	UBI TAX	122,901		122,901	
b	CORPORATE ALLOCATION	754,471	19,947		734,524
c	DEBT RESTRUCTURING COST	621,214		621,214	
d	REPAIRS & MAINTENANCE	615,098	615,098		
e					
f	All other expenses	459,381	252,342	124,177	82,862
25	Total functional expenses. Add lines 1 through 24f	56,558,024	36,057,709	18,185,179	2,315,136
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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			1,934,640	2	1,945,312
	3	Pledges and grants receivable, net			1,349,315	3	1,307,208
	4	Accounts receivable, net			147,661	4	5,772,526
	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	
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges			224,556	9	366,411
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	23,969,529			
	b	Less: accumulated depreciation	10b	14,504,260	9,524,333	10c	9,465,269
	11	Investments—publicly traded securities			152,029,998	11	145,833,260
	12	Investments—other securities. See Part IV, line 11			94,222,856	12	101,785,048
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			27,404,416	15	25,979,737
	16	Total assets. Add lines 1 through 15 (must equal line 34)			286,837,775	16	292,454,771
Liabilities	17	Accounts payable and accrued expenses			6,147,471	17	12,815,670
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			117,007,178	20	112,088,356
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties			972,000	24	3,558,916
	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			24,833,945	25	33,299,256
	26	Total liabilities. Add lines 17 through 25			148,960,594	26	161,762,198
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			101,432,915	27	94,443,167
	28	Temporarily restricted net assets			9,906,476	28	9,469,125
	29	Permanently restricted net assets			26,537,790	29	26,780,281
	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			137,877,181	33	130,692,573
	34	Total liabilities and net assets/fund balances			286,837,775	34	292,454,771

Part XI Reconciliation 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	54,589,882
2	Total expenses (must equal Part IX, column (A), line 25)	2	56,558,024
3	Revenue less expenses Subtract line 2 from line 1	3	-1,968,142
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	137,877,181
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-5,216,466
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	130,692,573

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?		No
b	Were the organization's financial statements audited by an independent accountant?	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	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?		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		

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 GOOD SHEPHERD REHABILITATION NETWORK	Employer identification number 23-2216041
--	--

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

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

- 1

☐

A church, convention of churches, or association of churches **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?

(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?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
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.")	7,917,385	3,576,315	4,688,896	3,468,259	5,046,851	24,697,706
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	7,917,385	3,576,315	4,688,896	3,468,259	5,046,851	24,697,706
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						24,697,706

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	7,917,385	3,576,315	4,688,896	3,468,259	5,046,851	24,697,706
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	7,228,768	6,483,150	4,783,360	5,506,148	4,761,968	28,763,394
9 Net income from unrelated business activities, whether or not the business is regularly carried on			277,503	210,099	119,980	607,582
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets		4,970	1,280,505	1,428,321	1,264,842	3,978,638
11 Total support (Add lines 7 through 10)						58,047,320

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

12209,509,794

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	42 550 %
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	15	44 740 %

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

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? YesNo	
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? YesNo	

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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

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?

YesNo

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)?

YesNo

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

Revenues included in Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

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

Revenues included in Form 990, Part VIII, line 1

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
1c	
1d	
1e	
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	20,129,443	18,523,874	17,900,332	20,587,042
b	Contributions	754,521	229,597	643,738	654,587
c	Investment earnings or losses	368,887	2,262,789	913,701	-2,583,126
d	Grants or scholarships				
e	Other expenditures for facilities and programs	882,864	886,817	933,897	758,171
f	Administrative expenses				
g	End of year balance	20,369,987	20,129,443	18,523,874	17,900,332

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 13 000 %

b

Permanent endowment ▶ 87 000 %

c

Term endowment ▶

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

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		820,014		820,014
b Buildings		4,686,329	2,236,879	2,449,450
c Leasehold improvements		128,622	88,963	39,659
d Equipment		17,577,286	11,834,110	5,743,176
e Other		757,278	344,308	412,970
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				9,465,269

Schedule D (Form 990) 2011

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	54,589,882
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	56,558,024
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,968,142
4	Net unrealized gains (losses) on investments	4	-5,391,851
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	-143,374
8	Other (Describe in Part XIV)	8	318,759
9	Total adjustments (net) Add lines 4 - 8	9	-5,216,466
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-7,184,608

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	47,184,943
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-5,391,851
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-2,032,123
e	Add lines 2a through 2d	2e	-7,423,974
3	Subtract line 2e from line 1	3	54,608,917
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	-19,035
c	Add lines 4a and 4b	4c	-19,035
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	54,589,882

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	54,226,177
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	246,370
e	Add lines 2a through 2d	2e	246,370
3	Subtract line 2e from line 1	3	53,979,807
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	693,323
b	Other (Describe in Part XIV)	4b	1,884,894
c	Add lines 4a and 4b	4c	2,578,217
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	56,558,024

Part XIVSupplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	GOOD SHEPHERD'S ENDOWMENTS PROVIDE INCOME IN PERPETUITY FOR PROGRAMS AND SERVICES, INCLUDING RESEARCH, TECHNOLOGY, PEDIATRICS, LONG TERM CARE OPERATIONS AND RECREATION, EDUCATION, GENERAL AND NEUROREHABILITATION PROGRAMS, AND FOR THE GENERAL SUPPORT OF GOOD SHEPHERD'S OPERATIONS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	GOOD SHEPHERD PRESCRIBES A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY IN RECORDING TAX LIABILITIES IN THE FINANCIAL STATEMENTS. MEASUREMENT AND RECOGNITION OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET. GOOD SHEPHERD'S POLICY IS TO RECOGNIZE INTEREST RELATED TO UNRECOGNIZED TAX BENEFITS IN INTEREST EXPENSE AND PENALTIES IN OPERATING EXPENSES. GOOD SHEPHERD'S FEDERAL INCOME TAX RETURNS FOR THE YEARS ENDED JUNE 30, 2011, 2010, AND 2009 REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE.
PART XI, LINE 8 - OTHER ADJUSTMENTS		INCOME ON INVESTMENT IN UNCONSOLIDATED SUBSIDIARY 4,691,804. INEFFECTIVENESS OF DERIVATIVE FINANCIAL INSTRUMENT 245,314. CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS -3,030,678. PENSION LIABILITY ADJUSTMENT - UNCONSOLIDATED SUBSIDIARY -490,421. CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS -356,837. VALUATION LOSS, BENEFICIAL INTEREST IN PERPETUAL TRUSTS -512,030. REDUCTION IN EQUITY TO REPORT HEALTH NETWORK LABS REVENUE -227,335. NET ASSETS RELEASED ADJUSTMENT -1,058. TOTAL TO SCHEDULE D, PART XI, LINE 8 318,759.
PART XII, LINE 2D - OTHER ADJUSTMENTS		INCOME ON INVESTMENT IN UNCONSOLIDATED SUBSIDIARY 4,691,804. INEFFECTIVENESS OF DERIVATIVE FINANCIAL INSTRUMENT 245,314. CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS -3,030,678. PENSION LIABILITIY ADJUSTMENT - UNCONSOLIDATED SUBSIDIARY -490,421. CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS -356,837. VALUATION LOSS, BENEFICIAL INTEREST IN PERPETUAL TRUSTS -512,030. TRANSFERS TO AFFILIATES -1,884,894. INVESTMENT EXPENSES -693,323. NET ASSETS RELEASED ADJUSTMENT -1,058.
PART XII, LINE 4B - OTHER ADJUSTMENTS		RENTAL EXPENSES -246,370. HEALTH NETWORK LABS REV 227,335.
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 246,370.
PART XIII, LINE 4B - OTHER ADJUSTMENTS		TRANSFERS TO AFFILIATES 1,884,894.

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	(b) Event #2	(c) Other Events	(d) Total Events (Add col (a) through col (c))
		(event type)	(event type)	(total number)	
Revenue	1	Gross receipts			
	2	Less Charitable contributions			
	3	Gross income (line 1 minus line 2)			
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses			
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			()
	11	Net income summary Combine lines 3 and 10 in column (d). ▶			

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a

The organization's facility

13a

b

An outside facility

13b

14

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

Name  _____

Address  _____

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

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

c

If "Yes," enter name and address

Name  _____

Address  _____

16 Gaming manager information

Name  _____

Gaming manager compensation  \$ _____

Description of services provided  _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

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

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

Identifier	ReturnReference	Explanation
EXPLANATION OF FUNDRAISING PAYMENTS	SCHEDULE G, PART I, LINE 2B, COLUMN (V)	THE TOTAL AMOUNT PAID TO SCHULTZ AND WILLIAMS FOR FISCAL YEAR JUNE 30, 2012 WAS \$249,785 THE \$39,000 REPORTED IN SCHEDULE G, PART I RELATES TO DIRECT MAIL CONSULTING THE REMAINING PAYMENTS MADE TO SCHULTZ AND WILLIAMS WERE FOR OTHER SERVICES SUCH AS CREATIVE FEES, PRINTING, LETTERSHOP, LIST ACQUISITION AND MANAGEMENT, MERGE AND PURGE, SHIPPING AND POSTAGE SCHULTZ AND WILLIAMS INVOICES ARE VERY SPECIFIC AND INDICATE THE AMOUNT BILLED FOR EACH ACTIVITY THE AMOUNT OF CONTRIBUTIONS RECEIVED AS A RESULT OF THIS CONSULTING COULD NOT BE EASILY DETERMINED

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Part I

General Information on Grants and Assistance

1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

Yes

No

2

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

Part II

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INCGOOD SHEPHERD PLAZA 850 SOUTH 5TH STREET ALLENTOWN,PA 18103	23-2215800	501(C)(3)	360,426	0	N/A	N/A	CHARITABLE ACTIVITIES
(2) GOOD SHEPHERD REHABILITATION HOSPITALGOOD SHEPHERD PLAZA 850 SOUTH 5TH STREET ALLENTOWN,PA 18103	23-1371947	501(C)(3)	1,424,218	0	N/A	N/A	CHARITABLE ACTIVITIES
(3) GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC1901 LEHIGH STREET ALLENTOWN,PA 18103	23-2215801	501(C)(3)	100,250	0	N/A	N/A	CHARITABLE ACTIVITIES

2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶

3

3

Enter total number of other organizations listed in the line 1 table ▶

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50055P

Schedule I (Form 990) 2011

Part III

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

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

Part IV

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

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

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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.

Name of the organization

GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number

23-2216041

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate 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 ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☒ Health or social club dues or initiation fees ☐ 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 or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☒ Compensation committee ☒ Independent compensation consultant ☒ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ 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	Yes
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued 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) SARA T GAMMON	(i)	522,390	148,161	0	241,014	3,633	915,198	0
	(ii)	0	0	0	0	0	0	0
(2) DANIEL C CONFALONE	(i)	308,734	54,610	0	18,363	8,630	390,337	0
	(ii)	0	0	0	0	0	0	0
(3) PHILLIP R BRYANT	(i)	278,866	67,231	0	17,491	6,204	369,792	0
	(ii)	0	0	0	0	0	0	0
(4) SAMUEL A MIRANDA JR	(i)	204,175	45,813	0	31,322	8,490	289,800	0
	(ii)	0	0	0	0	0	0	0
(5) ALLEN M KHADEMI	(i)	307,665	18,662	0	16,492	9,279	352,098	0
	(ii)	0	0	0	0	0	0	0
(6) HAROLD M TING	(i)	185,008	35,682	0	11,153	8,125	239,968	0
	(ii)	0	0	0	0	0	0	0
(7) RONALD J PETULA	(i)	140,332	22,384	0	8,223	9,000	179,939	0
	(ii)	0	0	0	0	0	0	0
(8) DAVID F LYONS	(i)	148,862	8,772	0	7,967	9,202	174,803	0
	(ii)	0	0	0	0	0	0	0
(9) FRANK HYLAND	(i)	141,857	12,889	0	7,821	7,024	169,591	0
	(ii)	0	0	0	0	0	0	0
(10) ANTHONY R BONGIOVANNI	(i)	127,760	144,839	111,946	19,434	6,350	410,329	97,374
	(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
	PART I, LINE 1A	GOOD SHEPHERD DOES NOT PAY ANY DUES ON BEHALF OF CEO, SARA GAMMON, DIRECTLY TO A SOCIAL CLUB. GOOD SHEPHERD REIMBURSES THE CEO FOR CERTAIN SOCIAL CLUB DUES RELEVANT IN PURSUING THE OVERALL MISSION OF GOOD SHEPHERD. THESE EXPENSES ARE ACCOUNTED FOR UNDER AN ACCOUNTABLE REIMBURSEMENT PLAN. THE AMOUNT OF THIS REIMBURSEMENT IS INCLUDED IN MS. GAMMON'S TAXABLE COMPENSATION.
	PART I, LINES 4A-B	ANTHONY BONGIOVANNI IS THE FORMER CPO (KEY EMPLOYEE) OF THE GOOD SHEPHERD REHABILITATION NETWORK AND AFFILIATES. HE RECEIVED \$239,706 FOR 52 WEEKS OF SEVERANCE PAY, BEGINNING JULY 15, 2011 THROUGH JUNE 29, 2012. GOOD SHEPHERD REHABILITATION NETWORK PROVIDES SUPPLEMENTAL EXECUTIVE RETIREMENT BENEFITS TO THE FOLLOWING EXECUTIVES: PRESIDENT/CEO SARA GAMMON, CNO SAMUEL MIRANDA, JR. AND FORMER CPO ANTHONY BONGIOVANNI. CONTRIBUTIONS TO THE PLAN ARE DETERMINED ANNUALLY. SARA GAMMON AND SAMUEL MIRANDA, JR. HAVE NOT RECEIVED ANY PAYMENTS FROM THE PLAN. AS PART OF ANTHONY BONGIOVANNI'S SEVERANCE PACKAGE, HE RECEIVED A LUMP SUM BONUS AMOUNT OF \$97,374 FROM THIS PLAN AND FORFEITED THE REMAINING AMOUNT ALLOCATED TO HIM UNDER THE PLAN.
	PART I, LINE 5	GSRN HAS A PERFORMANCE COMPENSATION PROGRAM IN PLACE WHICH IS APPROVED BY THE BOARD. CERTAIN MEMBERS OF MANAGEMENT CAN RECEIVE AN ANNUAL PERFORMANCE PAYMENT ONLY WHEN PRE-DEFINED AND PRE-APPROVED FINANCIAL AND NON-FINANCIAL GOALS ARE ACHIEVED. FOR FISCAL YEAR 2012, A PERFORMANCE PAYMENT WAS NOT ACHIEVED. THIS IS NOT GUARANTEED EACH YEAR. THE BONUSES REPORTED IN SCHEDULE J, PART II, COLUMN (B)(II) REPRESENT THE PERFORMANCE PAYMENT ACHIEVED FOR THE PRIOR FISCAL YEAR WHICH WAS PAID DURING CALENDAR YEAR 2011.
	PART I, LINE 6	GSRN HAS A PERFORMANCE COMPENSATION PROGRAM IN PLACE WHICH IS APPROVED BY THE BOARD. CERTAIN MEMBERS OF MANAGEMENT CAN RECEIVE AN ANNUAL PERFORMANCE PAYMENT ONLY WHEN PRE-DEFINED AND PRE-APPROVED FINANCIAL AND NON-FINANCIAL GOALS ARE ACHIEVED. FOR FISCAL YEAR 2012, A PERFORMANCE PAYMENT WAS NOT ACHIEVED. THIS IS NOT GUARANTEED EACH YEAR. THE BONUSES REPORTED IN SCHEDULE J, PART II, COLUMN (B)(II) REPRESENT THE PERFORMANCE PAYMENT ACHIEVED FOR THE PRIOR FISCAL YEAR WHICH WAS PAID DURING CALENDAR YEAR 2011.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Part I

Bond Issues

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

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds defeased								
3	Total proceeds of issue	32,011,735		80,762,939		13,015,000			
4	Gross proceeds in reserve funds	2,237,206		6,083,375					
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow			26,349,100		12,760,000			
7	Issuance costs from proceeds	637,720		1,276,006		177,306			
8	Credit enhancement from proceeds			1,295,173		52,318			
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	29,136,809		45,712,973					
11	Other spent proceeds								
12	Other unspent proceeds					11,099			
13	Year of substantial completion	2007		2009		2008			
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X		X			
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2	Is the bond issue a variable rate issue?		X	X		X			
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X		X			
b	Name of provider			MERRILL LYNCH CAPITAL SERVICES		MERRILL LYNCH CAPITAL SERVICES			
c	Term of hedge			20 9000000000000		26 5000000000000			
d	Was the hedge superintegrated?				X		X		
e	Was a hedge terminated?				X		X		
4a	Were gross proceeds invested in a GIC?	X			X		X		
b	Name of provider	BANK OF NEW YORK MELLON							
c	Term of GIC	10 3000000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X		X		X		

Part V

Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations ☐ Yes ☒ No

Part VI

Supplemental Information

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

Identifier	Return Reference	Explanation
PART V	PROCEDURES TO UNDERTAKE CORRECTIVE ACTION	ALTHOUGH THE ORGANIZATION DOES NOT CURRENTLY HAVE SUCH PROCEDURES IN WRITING, IT IS CONSIDERING ADOPTING A WRITTEN POLICY IN THE FUTURE

SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

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

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	3	71,258	FMV
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ()				
26 Other ►()				
27 Other ►()				
28 Other ► ()				

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

29

0

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

Part III

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

Identifier	Return Reference	Explanation
METHOD FOR DETERMINING NUMBER OF CONTRIBUTORS	PART I, COLUMN (B)	THE NUMBER OF CONTRIBUTIONS REPORTED IN PART I, COLUMN (B) IS BASED ON THE NUMBER OF DONORS

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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number

23-2216041

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

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE EXECUTIVE COMMITTEE CAN ACT ON BEHALF OF THE BOARD OF TRUSTEES IN MOST CASES HOWEVER, ANY FUNDAMENTAL CHANGES WILL GO TO THE FULL BOARD THE EXECUTIVE COMMITTEE IS COMPRISED OF THE CHAIRS OF ALL THE BOARD COMMITTEES AS WELL AS THE CHAIR AND VICE CHAIR OF THE BOARD ALL EXECUTIVE COMMITTEE MEMBERS ARE MEMBERS OF THE BOARD OF TRUSTEES

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

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

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

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

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE GOOD SHEPHERD REHABILITATION NETWORK BOARD DELEGATES RESPONSIBILITY FOR FOLLOWING ALL LEGAL AND REGULATORY REQUIREMENTS AFFECTING EXECUTIVE COMPENSATION TO THE HUMAN RESOURCES/EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD. THIS COMMITTEE IS CHARGED WITH THE ADMINISTRATION OF COMPENSATION PRACTICES FOR OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION. THIS COMMITTEE SELECTED AND USES AN INDEPENDENT CONSULTING FIRM SPECIALIZING IN HEALTHCARE EXECUTIVE COMPENSATION MATTERS AND USES COMPARABLE COMPETITIVE MARKET DATA IN THEIR ANALYSIS. THE SERVICES OF AN INDEPENDENT COMPENSATION CONSULTANT (IHS) WERE UTILIZED AND THEIR LATEST REPORT TO THE HUMAN RESOURCE COMPENSATION COMMITTEE WAS DATED APRIL 22, 2012. COMMITTEE MEETINGS ARE HELD ON AN ONGOING BASIS AND ARE DOCUMENTED IN DETAIL.

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

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

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -5,391,851 PRIOR PERIOD ADJUSTMENTS -143,374 INCOME ON INVESTMENT IN UNCONSOLIDATED SUBSIDIARY 4,691,804 INEFFECTIVENESS OF DERIVATIVE FINANCIAL INSTRUMENT 245,314 CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS -3,030,678 PENSION LIABILITY ADJUSTMENT - UNCONSOLIDATED SUBSIDIARY -490,421 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS -356,837 VALUATION LOSS, BENEFICIAL INTEREST IN PERPETUAL TRUSTS -512,030 REDUCTION IN EQUITY TO REPORT HEALTH NETWORK LABS REVENUE -227,335 NET ASSETS RELEASED ADJUSTMENT -1,058 TOTAL TO FORM 990, PART XI, LINE 5 -5,216,466

Identifier	Return Reference	Explanation
	FORM 990, PART XI, LINE 2C	THE PROCESSES USED BY THE COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE ORGANIZATION'S FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT ACCOUNTANT HAVE NOT CHANGED FROM THE PRIOR YEAR

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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) GOOD SHEPHERD GROUP LLC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 20-1289638	REHABILITATION PRODUCT DEVELOPMENT	PA	0	7,700	GOOD SHEPHERD REHABILITATION NETWORK

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-2215800	OPERATES TWO SKILLED NURSING FACILITIES FOR THE SEVERELY DISABLED	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(2) GOOD SHEPHERD HOUSING DEVELOPMENT CORPORATION GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-3073390	PROVIDES INDEPENDENT LIVING APTS FOR DISABLED, LOW-INCOME ADULTS	PA	501(C)(3)	LINE 7	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(3) GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC 1901 LEHIGH STREET ALLENTOWN, PA 18103 23-2215801	PROVIDES EMPLOYMENT DEVELOPMENT PROGRAMS AND VOCATIONAL EVALUATIONS	PA	501(C)(3)	LINE 11A, I	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(4) PHILADELPHIA POST-ACUTE PARTNERS LLC 1800 LOMBARD STREET PHILADELPHIA, PA 19146 20-8283421	OPERATES INPATIENT REHAB HOSP, ACUTE CARE HOSP & 8 OUTPATIENT FACILITIES	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(5) THE ALLENTOWN SPECIALTY HOSPITAL INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-3009874	PROVIDES INPATIENT SVCS THROUGH OPERATION OF A LONG-TERM ACUTE CARE HOSP	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(6) THE GOOD SHEPHERD REHABILITATION HOSPITAL GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-1371947	PROVIDES COMPREHENSIVE INPATIENT AND OUTPATIENT REHABILITATION SERVICES	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate 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	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) GOOD SHEPHERD RECIPROCAL RISK RENTENTION GROUP 7301 RIVERS AVENUE SUITE 230 NORTH CHARLESTON, SC 29406 20-4065112	RISK RETENTION GROUP	SC	GOOD SHEPHERD REHABILITATION NETWORK	C	2,000,000	8,662,976	100 000 %

Part V

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

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

1

During the tax year, did the organization 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

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by related organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

Yes

Yes

Yes

Yes

Yes

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

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.

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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Software ID:

Software Version:

EIN: 23-2216041

Name: GOOD SHEPHERD REHABILITATION NETWORK

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-2215800	OPERATES TWO SKILLED NURSING FACILITIES FOR THE SEVERELY DISABLED	PA	501 (C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
GOOD SHEPHERD HOUSING DEVELOPMENT CORPORATION GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-3073390	PROVIDES INDEPENDENT LIVING APTS FOR DISABLED, LOW- INCOME ADULTS	PA	501 (C)(3)	LINE 7	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
GOOD SHEPHERD WORKSHOP VOCATIONAL SERVICES INC 1901 LEHIGH STREET ALLENTOWN, PA 18103 23-2215801	PROVIDES EMPLOYMENT DEVELOPMENT PROGRAMS AND VOCATIONAL EVALUATIONS	PA	501 (C)(3)	LINE 11A, I	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
PHILADELPHIA POST-ACUTE PARTNERS LLC 1800 LOMBARD STREET PHILADELPHIA, PA 19146 20-8283421	OPERATES INPATIENT REHAB HOSP, ACUTE CARE HOSP & 8 OUTPATIENT FACILITIES	PA	501 (C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
THE ALLENTOWN SPECIALTY HOSPITAL INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-3009874	PROVIDES INPATIENT SVCS THROUGH OPERATION OF A LONG-TERM ACUTE CARE HOSP	PA	501 (C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
THE GOOD SHEPHERD REHABILITATION HOSPITAL GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-1371947	PROVIDES COMPREHENSIVE INPATIENT AND OUTPATIENT REHABILITATION SERVICES	PA	501 (C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	B	1,424,218	COST
(2)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	H	266,244	COST
(3)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	K	24,649,050	COST
(4)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	N	9,574,507	COST
(5)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	P	10,918,313	COST
(6)	THE GOOD SHEPHERD REHABILITATION HOSPITAL	Q	47,035,040	COST
(7)	THE ALLENTOWN SPECIALTY HOSPITAL INC	K	4,028,250	COST
(8)	THE ALLENTOWN SPECIALTY HOSPITAL INC	N	966,716	COST
(9)	THE ALLENTOWN SPECIALTY HOSPITAL INC	P	2,789,808	COST
(10)	THE ALLENTOWN SPECIALTY HOSPITAL INC	R	1,151,092	COST
(11)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	B	360,426	COST
(12)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	K	6,393,568	COST
(13)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	N	2,055,753	COST
(14)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	P	2,707,358	COST
(15)	GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	Q	500,706	COST
(16)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	B	100,250	COST
(17)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	K	647,468	COST
(18)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	N	253,966	COST
(19)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	P	559,352	COST
(20)	GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	Q	1,785,343	COST

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(21)	PHILADELPHIA POST-ACUTE PARTNERS LLC	C	4,060,000	COST
(22)	PHILADELPHIA POST-ACUTE PARTNERS LLC	K	524,568	COST
(23)	PHILADELPHIA POST-ACUTE PARTNERS LLC	P	18,133,988	COST
(24)	GOOD SHEPHERD RECIPROCAL RISK RENTENTION GROUP	Q	536,347	COST