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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)	OMB No 1545-0047 2011 Open to Public Inspection
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012		D Employer identification number 24-0795411	
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization EVANGELICAL COMMUNITY HOSPITAL		E Telephone number (570) 522-2741
	Doing Business As		G Gross receipts \$ 158,907,684
	Number and street (or P O box if mail is not delivered to street address) ONE HOSPITAL DRIVE	Room/suite	
	City or town, state or country, and ZIP + 4 LEWISBURG, PA 17837		
	F Name and address of principal officer MICHAEL O'KEEFE ONE HOSPITAL DRIVE LEWISBURG, PA 17837		H(a) Is this a group return for affiliates? ☐ Yes ☒ No
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () (Insert no) ☐ 4947(a)(1) or ☐ 527		H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions)	
J Website: WWW.EVANHOSPITAL.COM		H(c) Group exemption number	
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other		L Year of formation 1926	M State of legal domicile PA

Part I		Summary		
Activities & Governance	1 Briefly describe the organization's mission or most significant activities PROVIDE HEALTH CARE SERVICES TO THE PUBLIC AND TO BE THE COMMUNITY'S HEALTH CARE PROVIDER OF CHOICE			
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets			
	3 Number of voting members of the governing body (Part VI, line 1a)	3	18	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	17	
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1,396	
	6 Total number of volunteers (estimate if necessary)	6	537	
7a Total unrelated business revenue from Part VIII, column (C), line 12		7a	4,018,057	
b Net unrelated business taxable income from Form 990-T, line 34		7b	649,975	
Revenue			Prior Year	Current Year
	8	Contributions and grants (Part VIII, line 1h)	3,490,178	2,617,734
	9	Program service revenue (Part VIII, line 2g)	122,053,729	128,348,018
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,770,727	3,112,616
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,348,102	5,811,058
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	132,662,736	139,889,426
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	56,950	39,000
	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)	58,431,004	63,500,980
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	80,850
	b	Total fundraising expenses (Part IX, column (D), line 25) ☒ 649,002		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	57,488,181	59,894,797
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	115,976,135	123,515,627
	19	Revenue less expenses Subtract line 18 from line 12	16,686,601	16,373,799
	Net Assets or Fund Balances			Beginning of Current Year
20		Total assets (Part X, line 16)	219,250,555	229,634,915
21		Total liabilities (Part X, line 26)	81,402,247	81,983,469
22		Net assets or fund balances Subtract line 21 from line 20	137,848,308	147,651,446

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			2013-02-01 Date	
	JAMES STOPPER CPA CFO CFO Type or print name and title				
Paid Preparer's Use Only	Preparer's signature	JULIUS C GREEN CPA JD	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 400 MARKET STREET WILLIAMSPORT, PA 17701			EIN 23-2932984
					Phone no (570) 323-6023

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

Part IIISTatement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

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

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

No

If “Yes,” describe these changes on Schedule O

4

Describe the 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 \$ 102,752,201 including grants of \$ 39,000) (Revenue \$ 131,321,181)

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

4b

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

4c

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

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 102,752,201

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	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <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	No
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	Yes
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	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements 	20b	Yes

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <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	Yes	
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	Yes	
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		No
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		No
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. .	1a40	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return. .	2a1,396	
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).	2bYes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3aYes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3bYes	
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?	7aYes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7bYes	
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?	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		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?		No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
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?	Yes	
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?		No

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	PA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	JAMES STOPPER CPA ONE HOSPITAL DRIVE LEWISBURG, PA 17837 (570) 522-2000

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

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

Form **990** (2011)

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	2,757,968	0	806,203

2 Total number of individuals (including but not limited to those listed in Item 1) who received or accrued compensation in excess of \$100,000 of reportable compensation from the organization. ▶ 24

		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	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <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
THE QUANDEL GROUP INC 3003 NORTH FRONT ST SUITE 2-1 HARRISBURG, PA 17110	CONSTRUCTION	14,357,166
T-ROSS BROTHERS CONSTRUCTION PO BOX 70 MONTANDON, PA 17850	CONSTRUCTION	2,346,572
DIVERSIFIED CLINICAL SERVICES PO BOX 636981 CINCINNATI, OH 45263	MANAGEMENT SERVICES	513,591
STANTEC ARCHITECTURE INC 13980 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	ARCHITECT	456,514
THE ADVISORY BOARD COMPANY PO BOX 79461 BALTIMORE, MD 21279	MANAGEMENT SERVICES	266,060
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 112		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	124,354			
	d	Related organizations	1d	7,558			
	e	Government grants (contributions)	1e	981,761			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,504,061			
	g	Noncash contributions included in lines 1a-1f \$ 72,744					
	h	Total. Add lines 1a-1f		2,617,734			
Program Service Revenue	2a	NET PATIENT SERVICE RE	Business Code 621400	128,348,018	128,348,018		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		128,348,018			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		2,209,877		
4		Income from investment of tax-exempt bond proceeds . .					
5		Royalties					
6a		Gross rents	(i) Real 1,862,872	(ii) Personal			
b		Less rental expenses	2,257,061				
c		Rental income or (loss)	-394,189				
d		Net rental income or (loss)		-394,189			-394,189
7a		Gross amount from sales of assets other than inventory	(i) Securities 17,521,450	(ii) Other 33,850			
b		Less cost or other basis and sales expenses	16,624,453	28,108			
c		Gain or (loss)	896,997	5,742			
d		Net gain or (loss)		902,739			902,739
8a		Gross income from fundraising events (not including \$ 124,354 of contributions reported on line 1c) See Part IV, line 18					
a			72,741				
b		Less direct expenses	b	104,090			
c		Net income or (loss) from fundraising events . .		-31,349			-31,349
9a		Gross income from gaming activities See Part IV, line 19					
a			8,926				
b		Less direct expenses	b	4,546			
c		Net income or (loss) from gaming activities . .		4,380			4,380
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	LABORATORY SERVICES	621500	2,973,163		2,973,163		
b	CAFETERIA AND VENDING	722210	687,302			687,302	
c	BILLING FEES FROM AFFI	541900	630,794		630,794		
d	All other revenue		1,940,957	564,646	414,100	962,211	
e	Total. Add lines 11a-11d		6,232,216				
12	Total revenue. See Instructions		139,889,426	128,912,664	4,018,057	4,340,971	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22	39,000	39,000		
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	2,817,027	1,493,039	1,323,988	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	48,315,316	40,468,826	7,612,197	234,293
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,326,449	1,161,368	158,044	7,037
9	Other employee benefits	7,496,884	6,339,209	1,120,364	37,311
10	Payroll taxes	3,545,304	2,924,817	604,010	16,477
11	Fees for services (non-employees)				
a	Management				
b	Legal	195,164		192,960	2,204
c	Accounting	125,974	33,410	92,564	
d	Lobbying				
e	Professional fundraising See Part IV, line 17	80,850			80,850
f	Investment management fees	318,292	10,300	307,992	
g	Other	7,685,038	4,582,448	2,941,578	161,012
12	Advertising and promotion	513,910	19,837	491,823	2,250
13	Office expenses	27,076,407	23,931,362	3,083,263	61,782
14	Information technology	1,126,068	194,154	931,914	
15	Royalties				
16	Occupancy	823,439	823,439		
17	Travel	149,759	126,294	18,189	5,276
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	176,579	128,866	37,749	9,964
20	Interest	1,665,052	1,665,052		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	7,461,732	7,461,732		
23	Insurance	5,546	5,546		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	FEDERAL TAXES	243,579		243,579	
b	BAD DEBT	7,918,576	7,918,576		
c	MA MODERNIZATION PAYMEN	1,326,012	1,326,012		
d	COLLECTION SERVICE EXPE	813,597	813,597		
e					
f	All other expenses	2,270,073	1,285,317	954,210	30,546
25	Total functional expenses. Add lines 1 through 24f	123,515,627	102,752,201	20,114,424	649,002
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			1,545	1	1,840
	2	Savings and temporary cash investments			21,459,829	2	14,361,878
	3	Pledges and grants receivable, net			1,285,223	3	953,577
	4	Accounts receivable, net			10,755,446	4	12,637,256
	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			1,654,714	7	1,554,598
	8	Inventories for sale or use			2,792,321	8	2,691,288
	9	Prepaid expenses and deferred charges			2,136,929	9	2,108,960
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	198,402,078			
	b	Less: accumulated depreciation	10b	85,834,497	86,031,509	10c	112,567,581
	11	Investments—publicly traded securities			83,071,772	11	70,912,948
	12	Investments—other securities. See Part IV, line 11			2,479,998	12	3,269,127
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			7,581,269	15	8,575,862
16	Total assets. Add lines 1 through 15 (must equal line 34)			219,250,555	16	229,634,915	
Liabilities	17	Accounts payable and accrued expenses			16,092,996	17	16,963,549
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			51,755,000	20	49,995,000
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	2,474,118
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			13,554,251	25	12,550,802
	26	Total liabilities. Add lines 17 through 25			81,402,247	26	81,983,469
	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			130,964,510	27	141,200,675
28		Temporarily restricted net assets			1,696,335	28	1,395,475
29		Permanently restricted net assets			5,187,463	29	5,055,296
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			137,848,308	33	147,651,446
34	Total liabilities and net assets/fund balances			219,250,555	34	229,634,915	

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	139,889,426
2	Total expenses (must equal Part IX, column (A), line 25)	2	123,515,627
3	Revenue less expenses Subtract line 2 from line 1	3	16,373,799
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	137,848,308
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-6,570,661
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	147,651,446

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 EVANGELICAL COMMUNITY HOSPITAL	Employer identification number 24-0795411
--	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches **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 ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions)					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14	
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15	
16a	33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization 		
b	33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization 		
17a	10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization 		
b	10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization 		
18	Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions 		

Part 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 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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	
	☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	
	☐ Yes ☐ No	

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
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?

☐ Yes

☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes

☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	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	3,351,677	2,853,652	2,701,406	2,623,000	
b Contributions	114,280	380,340	123,011	229,877	
c Investment earnings or losses	341,323	207,310	102,387	-101,037	
d Grants or scholarships	15,894	16,598	2,000	11,900	
e Other expenditures for facilities and programs	60,316	67,522	66,203	34,346	
f Administrative expenses	13,596	5,505	4,949	4,188	
g End of year balance	3,717,474	3,351,677	2,853,652	2,701,406	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 55 500 %

b

Permanent endowment ▶ 44 500 %

c

Term endowment ▶ 0 %

3a

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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

Yes

No

3a(ii)

Yes

No

b

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

3b

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,767,238		6,767,238
b Buildings		74,052,345	27,691,373	46,360,972
c Leasehold improvements		5,942,386	2,516,989	3,425,397
d Equipment		75,836,997	55,626,135	20,210,862
e Other		35,803,112		35,803,112
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				112,567,581

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	139,889,426
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	123,515,627
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	16,373,799
4	Net unrealized gains (losses) on investments	4	-547,038
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-6,023,623
9	Total adjustments (net) Add lines 4 - 8	9	-6,570,661
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	9,803,138

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	140,176,470
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-547,038
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-1,223,623
e	Add lines 2a through 2d	2e	-1,770,661
3	Subtract line 2e from line 1	3	141,947,131
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	307,992
b	Other (Describe in Part XIV)	4b	-2,365,697
c	Add lines 4a and 4b	4c	-2,057,705
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	139,889,426

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	130,373,332
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	7,165,697
e	Add lines 2a through 2d	2e	7,165,697
3	Subtract line 2e from line 1	3	123,207,635
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	307,992
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	307,992
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	123,515,627

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	ENDOWMENT FUNDS WILL BE USED TO SUPPORT VARIOUS HOSPITAL PROGRAMS SUCH AS FUNDING HELPLINE SERVICES, COMMUNITY HEALTH EDUCATION, HOSPICE SERVICES, PRE-HOSPITAL SERVICES, FAMILY PLACE (OB SERVICES), PROVIDE NURSING SCHOLARSHIPS AND TO PROVIDE FOOD, SERVICE, OR CARE FOR PEOPLE WHO DO NOT HAVE THE MEANS TO PAY FOR THE SERVICE
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE CORPORATION ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES USING A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY. MEASUREMENT OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET. MANAGEMENT HAS DETERMINED THAT THERE WERE NO TAX UNCERTAINTIES THAT MET THE RECOGNITION THRESHOLD IN 2011 OR 2010. THE HOSPITAL'S FEDERAL RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX (FORM 990) FOR THE YEARS ENDING JUNE 30, 2011, 2010, AND 2009, AND THE FEDERAL EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURNS (FORM 990-T) FOR THE YEARS ENDING JUNE 30, 2011, 2010, AND 2009 REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE ("IRS").
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENT -15,874 VALUATION GAIN -238,807 POSTRETIREMENT BENEFIT LIABILITY ADJUSTMENT -968,942 EQUITY TRANSFER TO AFFILIATE -4,800,000 TOTAL TO SCHEDULE D, PART XI, LINE 8 -6,023,623
PART XII, LINE 2D - OTHER ADJUSTMENTS		CHANGES IN VALUE OF SPLIT INTEREST AGREEMENT -15,874 VALUATION LOSS -238,807 POSTRETIREMENT BENEFIT LIABILITY ADJUSTMENT -968,942
PART XII, LINE 4B - OTHER ADJUSTMENTS		RENTAL EXPENSES -2,257,061 SPECIAL EVENTS EXPENSE -108,636
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 2,257,061 SPECIAL EVENTS EXPENSE 108,636 EQUITY TRANSFER TO AFFILIATE 4,800,000

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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

1

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

a

☐ Mail solicitations

b

☐ Internet and e-mail solicitations

c

☐ Phone solicitations

d

☐ In-person solicitations

e

☐ Solicitation of non-government grants

f

☒ Solicitation of government grants

g

☐ Special fundraising events

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☒ Yes ☐ No

b

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

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
DELTA DEVELOPMENT GROUP 2000 TECHNOLOGY PARKWAY MECHANICSBURG, PA 170509407	IFIP GRANT		No	231,000	80,850	150,150
Total ▶				231,000	80,850	150,150

3

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

PA

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		GOLF TOURNAMENT (event type)	EVAN GALA (event type)	1 (total number)	(Add col (a) through col (c))
Revenue	1 Gross receipts	63,627	120,466	13,002	197,095
	2 Less Charitable contributions	40,843	73,830	9,681	124,354
	3 Gross income (line 1 minus line 2)	22,784	46,636	3,321	72,741
Direct Expenses	4 Cash prizes	480			480
	5 Non-cash prizes	9,602	36,391		45,993
	6 Rent/facility costs	10,261	730		10,991
	7 Food and beverages	6,613	13,126	1,280	21,019
	8 Entertainment		6,500	300	6,800
	9 Other direct expenses	5,116	10,036	3,655	18,807
	10 Direct expense summary Add lines 4 through 9 in column (d)				(104,090)
	11 Net income summary Combine lines 3 and 10 in column (d).				-31,349

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

11

Does the organization operate gaming activities with nonmembers?

Yes

No

12

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

Yes

No

13

Indicate the percentage of gaming activity operated in

a

The organization's facility

13a

b

An outside facility

13b

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

Name ▶ _____

Address ▶ _____

15a

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

Yes

No

b

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

c

If "Yes," enter name and address

Name ▶ _____

Address ▶ _____

16 Gaming manager information

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer

Employee

Independent contractor

17

Mandatory distributions

a

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

Yes

No

b

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

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

Identifier	ReturnReference	Explanation
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SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)		467	176,170	0	176,170	0 150 %
b Medicaid (from Worksheet 3, column a)		21,552	10,640,446	5,078,087	5,562,359	4 810 %
c Costs of other means-tested government programs (from Worksheet 3, column b)		548	68,325	0	68,325	0 060 %
d Total Charity Care and Means-Tested Government Programs		22,567	10,884,941	5,078,087	5,806,854	5 020 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	86	14,923	297,202	2,660	294,542	0 250 %
f Health professions education (from Worksheet 5)	13	100	350,042	18,144	331,898	0 290 %
g Subsidized health services (from Worksheet 6)	0	0	0	0		
h Research (from Worksheet 7)	0	0	0	0		
i Cash and in-kind contributions for community benefit (from Worksheet 8)	2	0	23,255	0	23,255	0 020 %
j Total Other Benefits	101	15,023	670,499	20,804	649,695	0 560 %
k Total. Add lines 7d and 7j	101	37,590	11,555,440	5,098,891	6,456,549	5 580 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support	2		1,886		1,886	0 %
4Environmental improvements	1		296		296	0 %
5Leadership development and training for community members						
6Coalition building	15	53	19,741		19,741	0 020 %
7Community health improvement advocacy						
8Workforce development	15	156	653,918		653,918	0 570 %
9Other						
10Total	33	209	675,841		675,841	0 590 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense	2529,624	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3250,724	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	525,108,913	
6	Enter Medicare allowable costs of care relating to payments on line 5	637,362,904	
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7-12,253,991	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9aYes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9bYes	

Part IVManagement Companies and Joint Ventures (see instructions)

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

Section A. Hospital Facilities

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

Name and address

[illegible]

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

EVANGELICAL COMMUNITY HOSPITAL

Name of Hospital Facility:

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a ☐ A definition of the community served by the hospital facility b ☐ Demographics of the community c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community d ☐ How data was obtained e ☐ The health needs of the community f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g ☐ The process for identifying and prioritizing community health needs and services to meet those needs h ☐ The process for consulting with persons representing the community's interests i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs j ☐ Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a ☐ Hospital facility's website b ☐ Available upon request from the hospital facility c ☐ Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community b ☐ Execution of the implementation strategy c ☐ Development of a community-wide community benefit plan for the facility d ☐ Participation in community-wide community benefit plan e ☐ Inclusion of a community benefit section in operational plans f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA g ☐ Prioritization of health needs in the community h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community i ☐ Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>200 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a ☒ Income level b ☐ Asset level c ☐ Medical indigency d ☐ Insurance status e ☐ Uninsured discount f ☐ Medicaid/Medicare g ☐ State regulation h ☒ Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a ☐ The policy was posted at all times on the hospital facility's web site b ☐ The policy was attached to all billing invoices c ☒ The policy was posted in the hospital facility's emergency rooms or waiting rooms d ☒ The policy was posted in the hospital facility's admissions offices e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility f ☒ The policy was available upon request g ☒ Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V

Facility Information (continued)

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size from largest to smallest)

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

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$7,918,576

Identifier	ReturnReference	Explanation
		PART II AS A COMMUNITY AND HEALTH RESOURCE FOR MORE THAN 85 YEARS, EVANGELICAL COMMUNITY HOSPITAL HAS CONTINUALLY DEMONSTRATED ITS COMMITMENT TO THE CENTRAL SUSQUEHANNA VALLEY BY TAKING CARE OF PATIENTS NEEDING TREATMENT IN THE HOSPITAL, AND BY ITS OUTREACH TO THE COMMUNITY BEYOND THE DAILY CARE OF PATIENTS, THE HOSPITAL EXTENDS ITS REACH TO PROVIDE PREVENTION AND WELLNESS EDUCATION TO RESIDENTS OF THE VALLEY OUTREACH INCLUDES CHARITY CARE FOR THOSE WHO CANNOT AFFORD CARE, HEALTH SCREENINGS TARGETING THE UN- OR UNDER-INSURED, HEALTH EDUCATION FOCUSING ON HEALTHY LIFESTYLE CHANGES, CHILD SAFETY SEAT INSPECTIONS, RECYCLING EVENTS, AND LECTURES ON HEALTH CONCERNS AND TOPICS MANY OF THESE PROGRAMS ARE PROVIDED AT MINIMAL OR NO COST, AND ARE SUBSIDIZED USING HOSPITAL RESOURCES COMMUNITY BENEFIT THE COMMUNITY BENEFIT COMMITTEE FOR THE HOSPITAL CONTINUES TO FOCUS ON DEVELOPING NEW WAYS OF IDENTIFYING AND ADDRESSING HEALTH NEEDS IN OUR REGION THE HOSPITAL CONTINUES TO UTILIZE THE INTERNAL DOCUMENTATION PROCESS DEVELOPED TO CAPTURE THE COMMUNITY BENEFIT OUTREACH DELIVERED BY THE MAJORITY OF ITS EMPLOYEES THE COMMITTEE CONSISTS OF MEMBERS FROM THE HOSPITAL'S BOARD OF DIRECTORS, EXECUTIVE OPERATING TEAM, MANAGEMENT STAFF, AS WELL AS FRONT LINE CLINICAL AND ADMINISTRATIVE EMPLOYEES THE COMMUNITY BENEFIT COMMITTEE WORKS COOPERATIVELY WITH DEPARTMENTS OF THE HOSPITAL AND OTHER ORGANIZATIONS IN THE COMMUNITY TO ADDRESS UNMET NEEDS THIS YEAR THE HOSPITAL'S COMMUNITY BENEFIT SUB-COMMITTEES DEVELOPED ACTION PLANS TO MEET THE SPECIFIC NEEDS RELATING TO EACH INDIVIDUAL COMMITTEE THE THREE SUB-COMMITTEES ARE AS FOLLOWS OBESITY TOBACCO CESSATION NAVIGATING THE HEALTHCARE SYSTEM THE OBESITY COMMITTEE'S PRIMARY GOALS ARE TO 1. CREATE AN INTERNAL CULTURE OF HEALTH AND WELLNESS, STARTING WITH OUR NUTRITIONAL SERVICES VENDING MACHINE OFFERINGS A POLICY WAS DEVELOPED AND HEALTHIER CHOICES ARE THE MAJORITY OF THE SELECTIONS THE CAFETERIA HAS ALSO MADE EDUCATION AND AWARENESS PART OF THEIR PLAN BY OFFERING HEALTHY ALTERNATIVES FOR EVERY MEAL AS WELL AS INFORMING STAFF OF NUTRITIONAL VALUE OF FOOD ITEMS 2. OFFER MORE FREE OR LOW COST HEALTH SCREENINGS WE OFFERED FREE HEART HEALTH SCREENINGS IN THE MONTH OF FEBRUARY, LOW COST COMPREHENSIVE BLOOD SCREENINGS IN THE COMMUNITY AND OUR ANNUAL MEN'S AND WOMEN'S HEALTH SCREENINGS 3. BEGIN TO WORK WITH EMSO TO DEVELOP A CROSS REFERRAL PROCESS TO INCREASE PROGRAM AWARENESS AND REFERRALS AS WELL AS REFERRING PROGRAM PARTICIPANT TO EMSO OFFICES IF THEY ARE SEEKING A MEDICAL HOME THE TOBACCO CESSATION COMMITTEE'S PRIMARY GOALS ARE TO 1. MARKET OUR CURRENT TOBACCO CESSATION PROGRAM TO PROVIDER OFFICES AND EDUCATE THEM ON SPECIFICS OF THE PROGRAM 2. BEGIN TO OFFER FREE OR REDUCED FEE TOBACCO CESSATION PROGRAMMING FOR THE UN- OR UNDER-INSURED 3. EVALUATE THE NEED FOR SECONDARY PREVENTION WITH THE SCHOOLS ONE OF OUR QUITSMART COUNSELORS DID A PROGRAM FOR 7 YOUTH IN THE MIDWEST SCHOOL DISTRICT THE NAVIGATING THE HEALTHCARE SYSTEM COMMITTEE ARE TO DEVELOP PROGRAMS OR INITIATIVES AIMED AT HOW TO 1. TALK TO YOUR INSURANCE COMPANY SO YOU CAN BETTER UNDERSTAND YOUR COVERAGE AND HOW TO USE IT TO THE FULLEST 2. MEDICARE PART D PROGRAM, MEDICARE OPTIONS AND UNDERSTANDING YOUR INSURANCE WERE PROGRAMS OFFERED TO THE COMMUNITY FREE OF CHARGE 2. READ AND UNDERSTAND YOUR HOSPITAL BILL AN ONLINE SAMPLE OF A HOSPITAL BILL WAS PUT ON OUR WEBSITE WITH ROLL OVER EXPLANATION 3. HELP PATIENTS AND VISITORS FEEL LESS STRESSED BY MAKING IT EASIER FOR THEM TO NAVIGATE THE "STREETS AND ALLEYS" (PRIMARY AND SECONDARY HALLWAYS) WITHIN OUR HOSPITAL WE ARE ALSO LOOKING INTO THE POSSIBILITY OF DEVELOPING A CALL CENTER SO AS TO PROVIDE BETTER ACCESS TO HEALTH INFORMATION AND SERVICES 4. HELP PATIENTS UNDERSTAND THE CARE THEY ARE GIVEN THIS GOAL IS IN PROCESS WITH THE POSSIBILITY OF HIRING A CASE MANAGER TO HELP PATIENTS FOLLOW THROUGH WITH DISCHARGE INSTRUCTIONS, I.E. FOLLOW UP APPOINTMENTS, REHAB OR THERAPY THE SEVENTH ANNUAL TELL-A-FRIEND MAMMATHON, A JOINT EFFORT BETWEEN EVANGELICAL COMMUNITY HOSPITAL'S THYRA M HUMPHREYS CENTER FOR BREAST HEALTH AND THE AMERICAN CANCER SOCIETY, PLACED 5,366 CALLS AND SPOKE TO 1,511 WOMEN AND LEFT 1,564 MESSAGES ABOUT THE IMPORTANCE OF EARLY DETECTION DURING THE EVENT, 153 WOMEN MADE APPOINTMENTS AT THE CENTER FOR BREAST HEALTH FOR THEIR ANNUAL MAMMOGRAM, AND 956 MADE A COMMITMENT TO SCHEDULE THEIR EXAMS AT THE CENTER OF ANOTHER FACILITY OF THEIR CHOICE CANCER AWARENESS AND EDUCATION IS EXTREMELY IMPORTANT THE FOLLOWING PROGRAMS WERE OFFERED IN 2011, THE CORRESPONDING NUMBER BESIDE THE PROGRAM DOCUMENTS THE NUMBER OF PEOPLE SERVED LOOK GOOD, FEEL BETTER (1-3 WOMEN MONTHLY) CANCER SUPPORT GROUP (TWO MONTHLY GROUPS WITH 5-6 PARTICIPANTS EACH) HOSPITAL'S EMPLOYEE HEALTH FAIR (160 EMPLOYEES AND FAMILY MEMBERS RECEIVED EDUCATION ON BREAST CANCER AWARENESS, SMOKING CESSATION, EARLY DETECTION AND PREVENTATIVE HEALTH ACTIVITIES) BREAST HEALTH LECTURE (4 PARTICIPANTS) I

Identifier	ReturnReference	Explanation
		CAN COPE SURVIVOR PROGRAM (10 PARTICIPANTS) COPING WITH THE HOLIDAYS PROGRAM (12 PARTICIPANTS) COMMUNITY EVENT TO SUPPORT BREAST CANCER (250 PARTICIPANTS) LIFE AFTER LOSS BEREAVEMENT SUPPORT GROUP (8 PARTICIPANTS) OTHER HEALTH EDUCATION AND PREVENTION ACTIVITIES INCLUDE MONTHLY SUPPORT GROUPS (1,999 PARTICIPANTS) FREE HEART HEALTH SCREENINGS (58 PARTICIPANTS IN 2012) TALK WITH THE DOCTOR LECTURE SERIES (122 PARTICIPANTS IN 2012) NAVIGATING MEDICARE OPTIONS 46 PARTICIPANTS MENS HEALTH SCREEN PARTICIPANTS (53 PARTICIPANTS) WOMENS HEALTH SCREEN (110 PARTICIPANTS) UN/UNDER INSURED HEALTH SCREEN (46 PARTICIPANTS) CHILD SAFETY SEAT REPLACEMENT (37 FAULTY SEATS) 151 BIKE HELMETS GIVEN AWAY AND FITTED PROPERLY OVER 20 EDUCATIONAL HEALTH RELATED LECTURES PROVIDED AT NO COST PROPER HAND WASHING IS ESSENTIAL FOR PEOPLE OF ALL AGES TO LIMIT AND PROHIBIT THE SPREAD OF DISEASE AND GERMS EVANGELICAL COMMUNITY HOSPITALS GERM CITY PROGRAM USES AN ENTERTAINING TECHNIQUE TO STRESS THE IMPORTANCE OF FREQUENT, EFFECTIVE HAND WASHING AND SEE IMMEDIATE RESULTS IN 2011, MORE THAN 2510 STUDENTS IN THE LOCAL SCHOOLS PARTICIPATED IN THE GERM CITY PROGRAM AND WERE EDUCATED ON PROPER HAND WASHING TECHNIQUES

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

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

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

Identifier	ReturnReference	Explanation
EVANGELICAL COMMUNITY HOSPITAL		PART V, SECTION B, LINE 11H MEDICAL ASSISTANCE DENIAL

Identifier	ReturnReference	Explanation
EVANGELICAL COMMUNITY HOSPITAL		PART V, SECTION B, LINE 13G POLICY IS PRESENTED TO PATIENTS BY HRSI WHEN WORKING WITH PATIENTS ON MEDICAL ASSISTANCE APPLICATIONS

Identifier	ReturnReference	Explanation
EVANGELICAL COMMUNITY HOSPITAL		PART V, SECTION B, LINE 19D PATIENTS ARE CHARGED THE FULL AMOUNT AND THEN CHARITY CARE DISCOUNT IS APPLIED AS AN ADJUSTMENT

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 IN 2009, EVANGELICAL COMMUNITY HOSPITAL PARTICIPATED IN A FIVE-COUNTY (SN YDER, UNION, MONTOUR, NORTHUMBERLAND AND COLUMBIA) COMMUNITY HEALTH NEEDS ASSESSMENT THE ASSESSMENT WAS CONDUCTED BY ACTION HEALTH, AN ORGANIZATION THAT FOSTERS COLLABORATION BETWEEN HOSPITALS AND LOCAL EDUCATIONAL INSTITUTIONS FOR THE PURPOSE OF MEETING THE HEALTH NEEDS OF THE COMMUNITY THE FIRST STEP IN THE PROCESS WAS FOR ACTION HEALTH TO FORM A NEEDS ASSESSMENT OVERSIGHT COMMITTEE IN MAY 2009, THE OVERSIGHT COMMITTEE SELECTED GEISINGER HEALTH RESEARCH TO CONDUCT THE ASSESSMENT AND REPORT ON THE FINDINGS THE ASSESSMENT CONSISTED OF FOCUS GROUPS, COMMUNITY INTERVIEWS, AND SURVEYS DISTRIBUTED TO A CLUSTERED RANDOMIZED SAMPLE OF RESIDENTS IN THE FIVE-COUNTY AREA FROM THE SURVEY DISTRIBUTION, 3,300 WERE RETURNED (A 36% RESPONSE RATE) FOCUS GROUP AND COMMUNITY INTERVIEWS CONSISTED OF HOSPITAL STAKEHOLDERS, BUSINESS AND NONPROFIT LEADERS, COUNTY AND GOVERNMENT OFFICIALS, AS WELL AS LEADERS FROM FAITH-BASED ORGANIZATIONS, SCHOOLS AND UNIVERSITIES FOCUS GROUP FINDINGS VARIED SOMEWHAT AMONG THE DIFFERENT COMMUNITIES WITHIN THE FIVE-COUNTY AREA CONSISTENT FINDINGS ACROSS THE REGION INCLUDE 1) MEDICAL AND SPECIALTY CARE - RESIDENTS HAVE DIFFICULTY NAVIGATING THE COMPLEX HEALTHCARE INDUSTRY AND SYSTEMS, ESPECIALLY IN FINDING THE NEEDED SPECIALTY CARE SURVEY PARTICIPANTS NOTED THAT THERE IS LIMITED CARE AVAILABLE FOR THOSE WHO ARE UNINSURED OR UNDERINSURED 2) DENTAL CARE - RESIDENTS IDENTIFIED THE NEED TO FIND ADEQUATE DENTAL CARE FOR LOW-INCOME RESIDENTS OR FOR THOSE WHO DO NOT HAVE INSURANCE THERE ARE A FEW AREA DENTISTS WHO ACCEPT STATE-ASSISTANCE (MEDICAID/CHIP) AS A FORM OF PAYMENT FOR DENTAL CARE AND THERE IS NO DENTAL CARE FOR LOW-INCOME ADULTS CHILDREN WITH STATE FUNDED INSURANCE MUST OFTEN OBTAIN THEIR DENTAL CARE OUTSIDE THE REGION, NECESSITATING TRAVEL WHICH MAYBE A PROBLEM FOR FAMILIES WITH NO DEPENDABLE TRANSPORTATION 3) MENTAL HEALTH AND SUBSTANCE ABUSE - TREATMENT FOR MENTAL HEALTH AND SUBSTANCE ABUSE IS VERY LIMITED INPATIENT MENTAL HEALTH SERVICES ARE ALSO LIMITED AND RESIDENTS DO NOT KNOW HOW TO ACCESS OR NAVIGATE THE MENTAL HEALTH SYSTEM IN OUR REGION 4) SOCIAL AND SUPPORT SERVICES - RESIDENTS DO NOT SEEM TO KNOW WHERE TO GO TO OBTAIN INFORMATION ABOUT AVAILABILITY OF ALL KINDS OF SOCIAL AND SUPPORT SERVICES THERE IS ALSO LIMITED COORDINATION OF INFORMATION AND SERVICES BETWEEN AGENCIES AND ORGANIZATIONS 5) HOMELESSNESS - THERE IS LIMITED ACCESS TO SHELTERS FOR THE HOMELESS OR FOR THOSE IN NEED OF TRANSITIONAL HOUSING 6) CONSUMER EDUCATION - THERE IS A GREAT NEED FOR CONSUMER EDUCATION AND PROMOTION OF HEALTH LITERACY, HEALTH AND WELLNESS, PARENTING EDUCATION, AND PREVENTATIVE CARE 7) PUBLIC TRANSPORTATION - WHILE THE FOCUS GROUP PARTICIPANTS ACKNOWLEDGED THE TREMENDOUS WORK OF THE UNION-SNYDER TRANSPORTATION AUTHORITY (USTA) AND OTHER SIMILAR TRANSPORT SYSTEMS, THERE WAS GENERAL AGREEMENT THAT THERE IS A NEED FOR EXPANDED PUBLIC TRANSPORTATION 8) FOOD - PARTICIPANTS CITED THAT FOOD PANTRIES ARE DIFFICULT TO LOCATE AND MAY BE LIMITED IN THEIR ABILITY TO MEET THE INCREASING COMMUNITY DEMANDS FOR FOOD 9) AFFORDABLE CHILD CARE - PARTICIPANTS EXPRESSED CONCERN REGARDING LACK OF 24-HOUR CHILD CARE 24-HOUR CARE IS NEEDED DUE TO RESIDENTS WHO WORK SECOND OR THIRD SHIFTS 10) EDUCATION FOR SPECIAL GROUPS - PARTICIPANTS NOTED THAT THERE ARE DEMOGRAPHIC GROUPS WITH UNIQUE NEEDS AND THAT A ONE-SIZE-FITS-ALL APPROACH IS NOT OPTIMAL TO MEET THESE NEEDS PARTICIPANTS RECOMMENDED THAT SPECIAL PROGRAMS BE DEVELOPED FOR UNMET NEEDS OF THE FOLLOWING GROUPS SENIORS, NON-ENGLISH SPEAKERS, GRANDPARENTS RAISING GRANDCHILDREN, AND ADOLESCENTS 11) LACK OF HEALTH INSURANCE - DUE TO RISING UNEMPLOYMENT, HEALTH INSURANCE COVERAGE IS LACKING IN ADDITION, IT WAS NOTED THAT RESIDENTS OF THE MIDDLE CLASS ARE LACKING IN THEIR ABILITY TO ACCESS ASSISTANCE WHILE UNEMPLOYED, SUCH AS FOOD AND UTILITY ASSISTANCE 12) DOMESTIC VIOLENCE - WITH THE INCREASE OF UNEMPLOYMENT THERE HAS BEEN A REPORTED INCREASE IN DOMESTIC VIOLENCE SURVEY PARTICIPANTS RECOMMENDED AN INCREASE IN THE OFFERING OF STRESS MANAGEMENT AND OTHER PROACTIVE STRATEGIES TO REDUCE DOMESTIC VIOLENCE 13) TOBACCO USE - THERE IS A CONTINUED NEED FOR AFFORDABLE TOBACCO CESSATION PROGRAMS IN THE REGION 14) LIMITED COMPUTER ACCESS - THIS WAS NOTED AS A SIGNIFICANT BARRIER TO FINDING APPROPRIATE HEALTHCARE OPTIONS, FOR NAVIGATING THE HEALTHCARE SYSTEM, AND IN ACCESSING HEALTH INFORMATION, AS WELL AS HEALTH AND SOCIAL SERVICES IN ADDITION, THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT REVEALED THE MOST PREVALENT CHRONIC HEALTH CONDITIONS IN OUR COMMUNITY AS - DIABETES- HIGH BLOOD PRESSURE- HEART DISEASE SINCE 2009 EVANGELICAL COMMUNITY HOSPITAL HAS ACTIVELY COMMITTED ITSELF TO PLAYING A KEY ROLE IN ADDRESSING THE CURRENT NEEDS OF ITS COMMUNITY THREE TASKFORCES LED BY EDUCATORS IN THE COMMUNITY HEALTH EDUCATION OFFICE HAVE BEEN DEVELOPED AND ARE OFFERING NEW PROGRAMMING, AS WELL

Identifier	ReturnReference	Explanation
		L AS WORKING TO IMPROVE EXISTING PROGRAMS THAT DIRECTLY IMPACT OUR COMMUNITY THE SOLE PURPOSE OF THE TASKFORCES IS TO ADDRESS UNMET NEEDS OF RESIDENTS IN OUR COMMUNITY IN THREE SP ECIFIC AREAS 1)NAVIGATING THE HEALTHCARE SYSTEM, 2) REDUCING OBESITY, AND 3) DECREASING TOBACCO USE PROGRAMMING IN CLINICAL DEPARTMENTS, PATIENT PROCESSES, AND OUTREACH EFFORTS TO THE COMMUNITY HAVE BEEN AND WILL BE MODIFIED TO FOCUS ON MEETING THE IDENTIFIED UNMET N EEDS AND WAYS IN WHICH EVANGELICAL COMMUNITY HOSPITAL CAN BRING ABOUT SYSTEMIC CHANGE IN J UNE 2012, A NEW COMMUNITY HEALTH NEEDS ASSESSMENT WAS COMPLETED A COPY OF THIS ASSESSMENT CAN BE FOUND ON EVANGELICAL COMMUNITY HOSPITAL'S WEBSITE WWW EVANHOSPITAL COM

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

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 EVANGELICAL COMMUNITY HOSPITAL (ECH) IS LOCATED IN LEWISBURG, PA (UNION C OUNTY), THE HEART OF CENTRAL PA THE HOSPITAL IS CONVENIENTLY LOCATED OFF INTERSTATE 80 ON U S ROUTE 15 ECH SERVES THE RESIDENTS OF UNION, SNYDER & NORTHUMBERLAND COUNTIES AND SU RROUNDING AREAS ECH IS THE 3RD LARGEST EMPLOYER IN UNION COUNTY WITH MORE THAN 1,200 EMPL OYEEES ACCORDING TO THE HOSPITAL AND HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA, ECH'S TOTAL IMPACT ON THE REGIONAL ECONOMY TOPS MORE THAN \$180 MILLION ECH IS A 127 LICENSED-BED ACU TE CARE COMMUNITY HOSPITAL WITH OVER 1,200 EMPLOYEES AND NEARLY 200 MEDICAL STAFF MEMBERS ECH HAS A BUSY EMERGENCY DEPARTMENT WITH OVER 32,953 VISITS IN 2012 ECH HAS EARNED THE P ATIENT SAFETY EXCELLENCE AWARD FOUR OF THE PAST FIVE YEARS FROM HEALTHGRADES (A LEADING NA TIONAL INDEPENDENT HEALTHCARE RATINGS ORGANIZATION) WHICH PUTS ECH IN THE TOP 5% OF ALL HO SPITALS IN THE COUNTRY FOR PATIENT SAFETY, SHARING THIS DISTINCTION WITH ONLY 242 OTHERS THE PRIMARY SERVICE AREA OF RESIDENTS OF ECH INCLUDES 17810, 17812, 17843, 17813, 17730, 17827, 17829, 17831, 17876, 17833, 17835, 17837, 17749, 17842, 17844, 17845, 17847, 17850, 17853, 17855, 17856, 17857, 17861, 17862, 17864, 17865, 17086, 17870, 17801, 17880, 17882 , 17772, 17883, 17777, 17886, 17887, 17885, 17889 OUR SECONDARY SERVICE AREA IS FROM THE F OLLOWING ZIP CODES 16820, 17866, 17014, 17017, 17821, 17823, 17830, 17737, 17834, 17836, 17045, 17840, 17747, 17832, 17049, 17841, 17062, 17752, 17851, 17756, 17860, 17080, 16872, 17867, 17868, 17872, 17877, 17881, 17884, 16882 THE REGION IS HOME TO SEVERAL COLLEGES, U NIVERSITIES AND TECHNICAL SCHOOLS AS WELL AS STRONG PUBLIC SCHOOL SYSTEMS IT HAS A VERY D IVERSE HISTORY AND RURAL APPEAL, YET FEATURES BUSINESS AND HEALTHCARE FACILITIES USING THE LATEST ADVANCES IN SCIENCE AND TECHNOLOGY ADDITIONAL HOSPITALS IN OUR REGION CONSIST OF GEISINGER MEDICAL CENTER, SUNBURY COMMUNITY HOSPITAL (FOR-PROFIT SYSTEM), SHAMOKIN AREA CO MMUNITY HOSPITAL, SUSQUEHANNA HEALTH SYSTEM, AND BLOOMSBURG HOSPITAL ACCORDING TO MOST NA TIONAL DATA COLLECTION EFFORTS THE REGION IS PRIMARILY A RURAL REGION THIS IS CONFIRMED I N RESPONDENT REPORTS FROM THE NEEDS ASSESSMENT ABOUT 61% OF RESPONDENTS IN THE REGION DES CRIBED THEIR PLACE OF RESIDENCE AS RURAL MANY PARTICIPANTS RESPONDING TO THE COMMUNITY NEE DS ASSESSMENT REPORTED SIGNIFICANT BARRIERS TO ACCESSING HEALTH CARE IN THEIR COMMUNITIES THESE WERE PRIMARILY RELATED TO LACK OF HEALTH CARE COVERAGE, LACK OF UNDERSTANDING ABOUT HOW TO NAVIGATE THE HEALTHCARE SYSTEM AND WHERE TO GO FOR HELP, TRANSPORTATION, LOW INCOM E AND LOCATING HEALTH CARE PROVIDERS AND PAYING FOR SERVICES-PARTICULARLY DENTAL CARE CIT Y- DATA COM FOR UNION COUNTY INDICATES THAT THE POPULATION CONSISTS OF WHITE NON-HISPANIC (85 9%), BLACK (5 4%), HISPANIC (4 4%), TWO OR MORE RACES (2 3%), AND ASIAN ALONE (1 7%) THE MEDIAN RESIDENT AGE IS 35 8 ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2009 \$49,803 RESIDE NTS WITH INCOME BELOW THE POVERTY LEVEL IN 2009 8 8% PERSONS ENROLLED IN HOSPITAL INSURANC E AND/OR SUPPLEMENTAL MEDICAL INSURANCE (MEDICARE) IN JULY 1, 2003 6,234 (5,612 AGED, 622 DISABLED), POPULATION WITHOUT HEALTH INSURANCE COVERAGE IN 2000 11%, CHILDREN UNDER 18 WITHOUT HEALTH INSURANCE COVERAGE IN 2000 9%89 6% OF RESIDENTS OF UNION COUNTY SPEAK ENGLI SH AT HOME, 3 7% OF RESIDENTS SPEAK SPANISH AT HOME, 5 7% OF RESIDENTS SPEAK OTHER INDO-EU ROPEAN LANGUAGE AT HOME, 0 8% OF RESIDENTS SPEAK ASIAN OR PACIFIC ISLAND LANGUAGE AT HOME, 0 2% OF RESIDENTS SPEAK OTHER LANGUAGE AT HOME CITY- DATA COM FOR SNYDER COUNTY INDICATES THE POPULATION CONSISTS OF WHITE NON-HISPANIC (96 4%), HISPANIC (1 4%), BLACK (1 0%) THE MEDIAN RESIDENT AGE IS 36 7 ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2009 \$44,426 RESIDENTS WITH INCOME BELOW THE POVERTY LEVEL IN 2009 9 9% PERSONS ENROLLED IN HOSPITAL INSURANCE AN D/OR SUPPLEMENTAL MEDICAL INSURANCE (MEDICARE) IN JULY 1, 2003 6,148 (5,230 AGED, 918 DIS ABLED), POPULATION WITHOUT HEALTH INSURANCE COVERAGE IN 2000 9%, CHILDREN UNDER 18 WITHOU T HEALTH INSURANCE COVERAGE IN 2000 8%92 0% OF RESIDENTS OF SNYDER COUNTY SPEAK ENGLISH A T HOME, 1 5% OF RESIDENTS SPEAK SPANISH AT HOME, 6 3% OF RESIDENTS SPEAK OTHER INDO-EUROPE AN LANGUAGE AT HOME, 0 2% OF RESIDENTS SPEAK ASIAN OR PACIFIC ISLAND LANGUAGE AT HOME, 0 1 % OF RESIDENTS SPEAK OTHER LANGUAGE AT HOMECITY- DATA COM FOR NORTHUMBERLAND COUNTY INDICAT ES THAT THE POPULATION CONSISTS OF WHITE NON-HISPANIC (95 5%), BLACK (2 0%), HISPANIC (1 8%), TWO OR MORE RACES (0 5%) ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2009 \$37,602, RESIDENT S WITH INCOME BELOW THE POVERTY LEVEL IN 2009 11 9%, PERSONS ENROLLED IN HOSPITAL INSURAN CE AND/OR SUPPLEMENTAL MEDICAL INSURANCE (MEDICARE) IN JULY 1, 2003 19,762 (16,930 AGED, 2,832 DISABLED) POPULATION WITHOUT HEALTH INSURANCE COVERAGE IN 2000 10%, CHILDREN UNDER 1 8 WITHOUT HEALTH INSURANCE COVERAGE IN 2000 8%, 95 6% OF RESIDENTS OF NORTHUMBERLAND COUN TY SPEAK ENGLISH AT HOME, 1 5% OF RESIDENTS SPEAK

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

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

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THE ORGANIZATION IS PART OF AN AFFILIATED HEALTH CARE SYSTEM DUE TO THE HOSPITAL HAVING COMMON GOVERNANCE AND CONTROL FOR EVANGELICAL MEDICAL SERVICES ORGANIZATION AND EVANGELICAL COMMUNITY HOSPITAL HOMECARE PRODUCTS EVANGELICAL MEDICAL SERVICESORGANIZATION PROVIDES HEALTHCARE SERVICES IN THE FORM OF PRIMARY AND SPECIALTY CARE PHYSICIANS TO THE COMMUNITY HOMECARE PRODUCTS PROVIDES DURABLE MEDICAL EQUIPMENT AND OXYGEN TO THE SUPPORT THE COMMUNITY NEEDS

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

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

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

Employer identification number
24-0795411

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. 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

2

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

3

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

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) NURSING SCHOLARSHIPS	10	19,000		CASH	N/A
(2) JOHNS FAMILY SCHOLARSHIPS	4	20,000		CASH	N/A

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 APPLICANTS MUST APPLY FOR NURSING AND TRAINING DEPARTMENT SCHOLARSHIPS APPLICATIONS ARE REVIEWED BY A COMMITTEE TO DETERMINE IF THE APPLICANTS MEET THE ELIGIBILITY REQUIREMENTS APPLICANTS ARE REVIEWED BASED ON COMMUNITY SERVICE AND/OR EXTRA CURRICULAR ACTIVITIES, ACADEMIC STANDING, QUALITY OF ESSAY, FINANCIAL NEED, ETC

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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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)		
1b 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		
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?		
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		
4a Receive a severance payment or change-of-control payment?	Yes	
4b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
4c Participate in, or receive payment from, an equity-based compensation arrangement?		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?		No
b Any related organization?		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?		No
b Any related organization?		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		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		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

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) MICHAEL N O'KEEFE	(i)	299,799	5,150	0	40,849	47,586	393,384	0
	(ii)	0	0	0	0	0	0	0
(2) JAMES A STOPPER	(i)	164,163	16,800	382	7,575	52,479	241,399	0
	(ii)	0	0	0	0	0	0	0
(3) KENDRA A AUCKER	(i)	195,197	41,250	660	21,850	46,720	305,677	0
	(ii)	0	0	0	0	0	0	0
(4) J LAWRENCE GINSBURG	(i)	363,581	32,820	660	45,545	69,407	512,013	0
	(ii)	0	0	0	0	0	0	0
(5) TAMI G RADECKE	(i)	136,892	20,400	1,180	15,020	30,595	204,087	0
	(ii)	0	0	0	0	0	0	0
(6) PAUL E TARVES	(i)	154,414	16,590	660	17,500	32,091	221,255	0
	(ii)	0	0	0	0	0	0	0
(7) DALE E MOYER	(i)	134,461	15,694	0	14,652	28,893	193,700	0
	(ii)	0	0	0	0	0	0	0
(8) MARK K KRAMMES	(i)	231,607	500	0	0	67,311	299,418	0
	(ii)	0	0	0	0	0	0	0
(9) SANDRA S WALKER	(i)	233,818	500	520	0	67,952	302,790	0
	(ii)	0	0	0	0	0	0	0
(10) LORI K GOODLING	(i)	237,331	500	0	0	68,971	306,802	0
	(ii)	0	0	0	0	0	0	0
(11) RAYMOND J TOMASZEWSKI	(i)	228,312	500	0	0	66,355	295,167	0
	(ii)	0	0	0	0	0	0	0
(12) COLLEEN FRITZ	(i)	223,127	500	0	0	64,852	288,479	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
	PART I, LINES 4A-B	RICHARD E SMITH, JR. RECEIVED \$35,750 OF SEVERENCE PAYMENTS. THE FOLLOWING INDIVIDUALS PARTICIPATE IN A SUPPLMENTAL NONQUALIFIED RETIREMENT PLAN: MICHAEL O'KEEFE - \$40,849; JAMES STOPPER - \$7,575; KENDRA AUCKER - \$21,850; J. LAWRENCE GINSBURG - \$45,549; DALE MOYER - \$14,652; TAMI RADECKE - \$15,020; PAUL TARVES - \$17,500.

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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A UNION COUNTY HOSPITAL AUTHORITY	23-2739624	906460CU5	08-01-2004	23,463,224	SERIES OF 2004 BONDS - FUND CONSTRUCTION & RENOVATIONS PROJECTS		X		X		X
B UNION COUNTY HOSPITAL AUTHORITY	23-2739624		03-03-2011	29,960,888	SERIES OF 2011 BONDS - FUND CONSTRUCTION & REFUND OUTSTANDING 2009 BONDS		X		X		X

Part II

Proceeds

		A	B	C	D
1	Amount of bonds retired	2,140,000			
2	Amount of bonds defeased				
3	Total proceeds of issue	23,474,907	29,719,008		
4	Gross proceeds in reserve funds	1,753,500	2,252,124		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	771,220	377,544		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	15,232,482			
11	Other spent proceeds	5,717,705	27,089,340		
12	Other unspent proceeds				
13	Year of substantial completion	2004	2012		
		YesNo	YesNo	Yes	NoYesNo
14	Were the bonds issued as part of a current refunding issue?	X	X		
15	Were the bonds issued as part of an advance refunding issue?	X	X		
16	Has the final allocation of proceeds been made?	X	X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X	X		

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X				
b	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?								
c	Are there any research agreements that may result in private business use of bond-financed property?		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 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 320 %		0 320 %					
6	Total of lines 4 and 5	0 320 %		0 320 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV

Arbitrage

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

Part V

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

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number

24-0795411

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JOHN D GRIFFITH	DIRECTOR OF THE BOARD	440,195	JOHN D GRIFFITH LEASES PROPERTY TO THE HOSPITAL AT AN ARM'S LENGTH TRANSACTION		No
(2) JAMES W MORGAN JR MD	FORMER DIRECTOR OF THE BOARD	163,122	THE HOSPITAL PAYS DR MORGAN'S PRACTICE \$163,122 FOR MEDICAL DIRECTORSHIPS THAT ARE SERVED BY DOCTORS WITHIN HIS PRACTICE		No

Part V

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

Identifier	Return Reference	Explanation
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SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) 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				
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				
FUNDRAISING				
25 Other ► (PRIZES)	X	236	61,404	FMV
EXPANSION				
26 Other ► (PROJECT)	X	1	5,400	FMV
YARDS OF				
27 Other ► (FABRIC)	X	1	5,940	FMV
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

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

Yes

No

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

No

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?

32a

Yes

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

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

Cat No 51227J

Schedule M (Form 990) 2011

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
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization EVANGELICAL COMMUNITY HOSPITAL	Employer identification number 24-0795411
--	--

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

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

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

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD'S EXECUTIVE COMPENSATION COMMITTEE, WHICH IS COMPOSED SOLELY OF INDEPENDENT MEMBERS OF THE BOARD, HAS ADOPTED AND FOLLOWS A PROCESS FOR REVIEWING AND DETERMINING THE COMPENSATION OF THE CEO AND THE EXECUTIVE MANAGEMENT TEAM. THE EXECUTIVE MANAGEMENT TEAM CONSISTS OF THE FOLLOWING POSITIONS: CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, VICE PRESIDENT OF MEDICAL AFFAIRS, VICE PRESIDENT - NURSING, VICE PRESIDENT - DEVELOPMENT, VICE PRESIDENT - HUMAN RESOURCES, CHIEF INFORMATION OFFICER. THE COMMITTEE HAS ENGAGED AN INDEPENDENT COMPENSATION CONSULTANT TO PROVIDE INFORMATION AND ADVICE TO THE COMMITTEE, INCLUDING BUT NOT LIMITED TO, PROVIDING INDEPENDENT COMPENSATION COMPARABILITY DATA FOR FUNCTIONALLY COMPARABLE POSITIONS IN SIMILARLY SITUATED HOSPITALS. THE DATA IS PROVIDED ON AN ANNUAL BASIS AND IS REVIEWED BY THE COMMITTEE, ALONG WITH OTHER INFORMATION, PRIOR TO APPROVING ANY CHANGES TO COMPENSATION. THE INDEPENDENCE OF THE COMMITTEE'S MEMBERS IS REVIEWED AND VERIFIED PRIOR TO THE START OF THE ANNUAL COMPENSATION REVIEW PROCESS. SHOULD A CONFLICT PRESENT, THOSE INDIVIDUALS WITH ACTUAL OR PERCEIVED CONFLICTS ABSTAIN FROM VOTING UNTIL SUCH TIME AS THE CONFLICT CAN BE RESOLVED OR A REPLACEMENT MEMBER IS APPOINTED TO THE COMMITTEE. THE COMMITTEE'S DELIBERATIONS AND DECISIONS ARE GUIDED BY A WRITTEN COMPENSATION PHILOSOPHY AND DOCUMENTED THROUGH WRITTEN MINUTES TAKEN DURING EACH MEETING. THE MINUTES INCLUDE, AMONG OTHER THINGS, THE WRITTEN MATERIALS DISTRIBUTED OR PRESENTED DURING THE MEETING AND THE SPECIFIC DECISIONS TAKEN AT THE MEETING. THE LAST REVIEW TOOK PLACE IN 2012.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PART VII	MICHAEL O'KEEFE, JAMES STOPPER, AND KENDRA AUCKER WORKED AN AVERAGE OF 40 HOURS PER WEEK FOR EVANGELICAL COMMUNITY HOSPITAL AND RELATED ORGANIZATIONS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -547,038 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENT -15,874 VALUATION GAIN -238,807 POSTRETIREMENT BENEFIT LIABILITY ADJUSTMENT -968,942 EQUITY TRANSFER TO AFFILIATE -4,800,000 TOTAL TO FORM 990, PART XI, LINE 5 -6,570,661

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

Identifier	Return Reference	Explanation
	FORM 990, PART VI LINE 16	AS OF 6/30/12, THE HOSPITAL HAD ONE JOINT VENTURE, OF WHICH THE HOSPITAL HAD CONTROLLING INTEREST, WITH LOCAL PHYSICIANS IN AN AMBULATORY SURGICAL CENTER THE SURGICAL CENTER WAS FORMED TO EXPAND HEALTH CARE SERVICES, REDUCE HEALTHCARE COSTS AND IMPROVE PATIENT CONVENIENCE AND ACCESS TO PHYSICIANS

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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Part I

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

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

Part II

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

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

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(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	
(1) EVANGELICAL AMBULATORY SURGICAL CENTER LLC 210 JPM ROAD LEWISBURG, PA 17837 23-3021240	HEALTHCARE	PA	N/A	INVESTMENT	81,979	1,005,648		No			No	50 000 %

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) CENTRAL SUSQUEHANNA HEALTHCARE PROVIDERS INC ONE HOSPITAL DRIVE LEWISBURG, PA 17837 23-2452170	MEDICAL SERVICES	PA	EVANGELICAL COMMUNITY HOSPITAL	C	137,510	170,486	50 000 %
(2) ECH PHARMACY & HOMECARE PRODUCTS INC ONE HOSPITAL DRIVE LEWISBURG, PA 17837 23-2353576	SALES OF MEDICAL DRUGS AND SUPPLIES	PA	EVANGELICAL MEDICAL SERVICE ORGANIZATION	C	1,875,723	1,873,039	
(3) EVANGELICAL MEDICAL SERVICE ORGANIZATION ONE HOSPITAL DRIVE LEWISBURG, PA 17837 23-2809429	MEDICAL SERVICES	PA	EVANGELICAL COMMUNITY HOSPITAL	C	17,811,260	10,001,592	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

No

No

No

No

No

No

No

Yes

No

No

No

Yes

Yes

Yes

Yes

Yes

No

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

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

Schedule R (Form 990) 2011

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: 24-0795411
Name: EVANGELICAL COMMUNITY HOSPITAL

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) EVANGELICAL MEDICAL SERVICES ORGANIZATION	Q	4,800,000	CASH
(2) EVANGELICAL MEDICAL SERVICES ORGANIZATION	D	55,532	CASH
(3) EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	D	67,452	CASH
(4) EVANGELICAL MEDICAL SERVICES ORGANIZATION	P	1,016,444	CASH
(5) EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	P	125,342	CASH
(6) EVANGELICAL MEDICAL SERVICES ORGANIZATION	I	351,666	CASH
(7) EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	I	128,000	CASH
(8) EVANGELICAL MEDICAL SERVICES ORGANIZATION	N	189,272	HOURS SPENT WORKING FOR AFFILIATE
(9) EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	N	33,238	HOURS SPENT WORKING FOR AFFILIATE

Evangelical Community Hospital and Controlled Entities

Consolidated Financial Statements and
Supplementary Information

June 30, 2012 and 2011

Evangelical Community Hospital and Controlled Entities

Table of Contents

June 30, 2012 and 2011

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Balance Sheet	2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Net Assets	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6
Supplementary Information	
Independent Auditors' Report on Supplementary Information	40
Consolidating Schedules for 2012:	
Consolidating Schedule, Balance Sheet	41
Consolidating Schedule, Statement of Operations	43
Consolidating Schedule, Statement of Changes in Net Assets (Deficit)	44
Consolidating Schedules for 2011:	
Consolidating Schedule, Balance Sheet	45
Consolidating Schedule, Statement of Operations	47
Consolidating Schedule, Statement of Changes in Net Assets (Deficit)	48

Independent Auditors' Report

Board of Directors
Evangelical Community Hospital

We have audited the accompanying consolidated balance sheet of Evangelical Community Hospital and controlled entities (collectively, the "Corporation") as of June 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

As disclosed in Note 2 to the financial statements, the Corporation adopted the updated authoritative guidance pertaining to the presentation of insurance claims and related insurance recoveries in 2012; and the updated authoritative guidance pertaining to intangible assets and goodwill in 2011.



Williamsport, Pennsylvania
October 31, 2012

Evangelical Community Hospital and Controlled Entities

Consolidated Balance Sheet

June 30, 2012 and 2011

	2012	2011		2012	2011
Assets			Liabilities and Net Assets		
Current Assets			Current Liabilities		
Cash and cash equivalents	\$ 15,335,069	\$ 22,651,815	Current maturities of	\$ 1,660,000	\$ 1,760,000
Assets whose use is limited under trust indenture, held by trustee	2,658,545	801,116	Hospital revenue bonds	876,961	-
Accounts receivable			Notes payable	402,119	385,590
Patients (net of estimated allowance for doubtful accounts of \$6,219,000 in 2012 and \$4,882,000 in 2011)	13,363,495	10,891,690	Capital lease obligations		
Other (net of estimated allowance for doubtful accounts of \$33,000 in 2012 and \$37,000 in 2011)	1,020,083	1,100,561	Accounts payable		
Estimated third-party payor settlements	356,700	-	Trade	4,837,945	4,403,468
Current portion of note receivable	115,844	107,316	Construction	2,356,575	3,609,757
Inventories of drugs and supplies	2,904,220	2,980,518	Accrued and withheld payroll taxes, etc	564,171	1,016,121
Prepaid expenses and other current assets	2,412,699	2,342,747	Accrued expenses	11,375,999	8,878,463
			Environmental remediation liability	174,488	1,329,287
			Blue Cross current financing advance	1,057,200	1,057,200
			Estimated third-party payor settlements	-	1,247,201
			Current portion of accrued postretirement benefit costs	267,382	284,675
Total current assets	38,166,655	40,875,763		23,572,840	23,971,762
Assets Whose Use Is Limited			Long-Term Debt		
By Board for future capital improvements	59,333,761	57,785,489	Hospital revenue bonds	48,335,000	49,995,000
Internally designated for deferred compensation plans	8,648,515	8,291,668	Notes payable	1,597,158	-
Under trust indenture, held by trustee	4,005,714	19,878,481	Capital lease obligations	544,114	947,256
Board-designated unrestricted contributions	2,397,581	2,349,110		11,264,889	10,615,478
	1,654,723	1,430,653	Deferred Compensation		
Long-Term Investments			Charitable Gift Annuities Payable	685,626	713,587
Beneficial Interest in Perpetual Trusts					
Beneficial Interest in Charitable Remainder Trusts	3,554,460	3,793,267	Accrued Postretirement Benefit Costs	6,060,271	5,109,880
	229,584	237,458	Estimated Medical Malpractice Claims Liability	1,865,699	809,884
Pledges Receivable, Net	953,577	1,285,223		93,925,597	92,162,847
Note Receivable	1,345,947	1,462,091	Net Assets		
Property and Equipment, Net	113,549,941	87,154,231	Unrestricted	141,010,195	130,942,030
	2,367,218	2,055,984	Temporarily restricted	1,395,475	1,696,335
Goodwill	1,113,454	-	Permanently restricted	5,055,296	5,187,463
Estimated Medical Malpractice Insurance Recoveries			Total net assets	147,460,966	137,825,828
Deferred Financing Costs and Other Assets, Net	4,065,433	3,389,257			
Total assets	\$ 241,386,563	\$ 229,988,675	Total liabilities and net assets	\$ 241,386,563	\$ 229,988,675

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities**Consolidated Statement of Operations**

Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted Revenues, Gains, and Other Support		
Patient service revenues (net of contractual allowances and discounts)	\$ 148,564,268	\$ 135,857,302
Other revenues	5,504,221	6,711,443
Net assets released from restrictions	239,156	251,152
Gain (loss) on the sale and disposal of property and equipment	5,742	(86,351)
Total unrestricted revenues, gains, and other support	<u>154,313,387</u>	<u>142,733,546</u>
Expenses		
Salaries and wages	54,357,172	48,870,383
Supplies and expenses	46,160,424	44,332,473
Employee benefits	15,851,219	16,037,473
Physician salaries and fees	11,702,357	9,501,343
Provision for bad debts	9,424,048	7,331,822
Depreciation	7,792,161	7,213,552
Interest (net of capitalized interest of \$1,114,148 in 2012 and \$373,208 in 2011)	1,665,052	1,527,439
Insurance	1,098,903	597,852
Amortization	77,391	79,594
Loss on refinancing of debt	-	286,495
Total expenses	<u>148,128,727</u>	<u>135,778,426</u>
Operating income	6,184,660	6,955,120
Other Income		
Investment income	2,067,615	7,399,136
Contributions	1,023,702	1,162,059
Equity in income of investees	68,281	94,601
Total other income	3,159,598	8,655,796
Revenues in excess of expenses	9,344,258	15,610,916
Grant Income Used for Long-Term Purposes	1,017,235	-
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	675,614	1,570,821
Postretirement Benefit Liability Adjustment	<u>(968,942)</u>	<u>(191,108)</u>
Increase in Unrestricted Net Assets Before Effect of Adoption of New Accounting Standard	10,068,165	16,990,629
Effect of Adoption of New Accounting Standard	-	(245,759)
Increase in unrestricted net assets	<u>\$ 10,068,165</u>	<u>\$ 16,744,870</u>

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Consolidated Statement of Changes in Net Assets

Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted Net Assets		
Revenues in excess of expenses	\$ 9,344,258	\$ 15,610,916
Grant income used for long-term purposes	1,017,235	-
Net assets released from restrictions used for purchase of property and equipment	675,614	1,570,821
Postretirement benefit liability adjustment	(968,942)	(191,108)
Increase in unrestricted net assets before effect of adoption of new accounting standard	10,068,165	16,990,629
Effect of adoption of new accounting standard	-	(245,759)
Increase in unrestricted net assets	10,068,165	16,744,870
Temporarily Restricted Net Assets		
Contributions and grants	544,184	2,023,167
Investment income	78,672	84,581
Change in value of split-interest agreement	(8,946)	9,110
Net assets released from restrictions	(914,770)	(1,821,973)
(Decrease) increase in temporarily restricted net assets	(300,860)	294,885
Permanently Restricted Net Assets		
Contributions	114,280	379,840
Investment (loss) income	(712)	22,099
Valuation (loss) gain	(238,807)	593,717
Change in value of split-interest agreement	(6,928)	20,145
(Decrease) increase in permanently restricted net assets	(132,167)	1,015,801
Increase in net assets	9,635,138	18,055,556
Net Assets, Beginning	137,825,828	119,770,272
Net Assets, Ending	\$ 147,460,966	\$ 137,825,828

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities**Consolidated Statement of Cash Flows**

Years Ended June 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Increase in net assets	\$ 9,635,138	\$ 18,055,556
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	7,869,552	7,293,146
Provision for bad debts	9,424,048	7,331,822
(Gain) loss on the sale and disposal of property and equipment	(5,742)	86,351
Unrestricted net realized and unrealized gains and losses on investments other than trading securities	(257,791)	(6,621,963)
Equity in income of investees	(68,281)	(94,601)
Effect of adoption of new accounting standard	-	245,759
Purchase of equity in investees	(712,448)	(568,114)
Distributions received from investees	27,162	157,597
Restricted contributions	(236,544)	(2,864,522)
Grant income used for long-term purposes	(1,017,235)	-
Postretirement benefit liability adjustment	968,942	191,108
Loss on refinancing of debt	-	286,495
Changes in assets and liabilities		
Accounts receivable	(11,815,375)	(7,954,169)
Estimated third-party payor settlements	(1,247,201)	214,207
Inventories of drugs and supplies	76,298	(255,957)
Prepaid expenses and other assets	(1,540,106)	(674,557)
Accounts payable, trade	434,477	1,024,047
Accrued and withheld payroll taxes, etc	(451,950)	527,112
Accrued expenses and other liabilities	4,138,956	615,908
Environmental remediation liability	(1,154,799)	1,329,287
Net cash provided by operating activities	<u>14,067,101</u>	<u>18,324,512</u>
Cash Flows from Investing Activities		
Net sales (purchases) of investments	12,095,469	(20,721,991)
Purchases of property and equipment	(31,858,752)	(15,870,993)
Purchase of goodwill	(311,234)	(2,260,000)
Proceeds from the sale of property and equipment	33,200	108,926
Repayment of note receivable	107,616	99,970
Net cash used in investing activities	<u>(19,933,701)</u>	<u>(38,644,088)</u>
Cash Flows from Financing Activities		
Repayment of long-term debt	(1,810,882)	(12,425,000)
Payment of construction payables	(3,609,757)	-
Grant income used for long-term purposes	1,017,235	-
Repayment of capital lease obligation	(386,613)	(394,971)
Proceeds from the issuance of long-term debt	2,525,000	30,235,000
Proceeds from restricted contributions	814,871	1,974,774
Payment of financing costs	-	(871,747)
Net cash (used in) provided by financing activities	<u>(1,450,146)</u>	<u>18,518,056</u>
Net decrease in cash and cash equivalents	(7,316,746)	(1,801,520)
Cash and Cash Equivalents, Beginning	<u>22,651,815</u>	<u>24,453,335</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 15,335,069</u></u>	<u><u>\$ 22,651,815</u></u>
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	<u>\$ 1,518,902</u>	<u>\$ 1,533,358</u>
Supplemental Disclosure of Non-Cash Investing and financing activities,		
Capital lease obligation incurred for purchase of equipment	<u>\$ -</u>	<u>\$ 354,500</u>
Accounts payable incurred for capital projects	<u>\$ 2,356,575</u>	<u>\$ 2,857,941</u>

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

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

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

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

Basis of Consolidation

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

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through October 31, 2012, the date the financial statements were issued.

Use of Estimates

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Cash and Cash Equivalents

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

Patient Accounts Receivable

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

Assets Whose Use is Limited

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

Inventories of Drugs and Supplies

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

Investments and Investment Risk

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

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Property and Equipment

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

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

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the term of the debt using the effective interest method. Amortization of deferred financing costs amounted to \$77,391 in 2012 and \$79,594 in 2011.

Goodwill

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

Other Investments

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

Impairment of Long-Lived Assets

At each balance sheet date, management evaluates whether any property, equipment, or other long-lived assets have been impaired. The Corporation made no impairment related adjustments to the carrying values of long-lived assets in 2012 and 2011.

Promises to Give

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Split-Interest Agreements

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

Under the terms of numerous charitable gift annuity agreements, the Corporation has recorded the donated assets at their fair value as of the date of each agreement and the liabilities to the donors or their beneficiaries at the present value of the estimated future payments to be paid by the Corporation to such individuals. The amount of the contribution is the difference between the fair value of the donated assets and the related liability and is recorded as unrestricted contributions, unless otherwise restricted by the donor. Included in assets whose use is limited, Board designated unrestricted contributions at June 30, 2012 and 2011 was \$993,645 and \$1,060,167, respectively, related to these charitable gift annuities. The Corporation's liability related to these charitable gift annuities at June 30, 2012 and 2011 was \$685,626 and \$713,587, respectively.

Under the terms of several perpetual trust agreements, the Corporation recorded assets and recognized permanently restricted contributions at the fair value of the Corporation's beneficial interest in the perpetual trust assets. Income earned on the trust assets and distributed to the Corporation is recorded as investment income in the accompanying consolidated statement of operations, unless otherwise restricted by the donor. Subsequent changes in fair values are recorded as valuation gain or loss in permanently restricted net assets. The fair value of the Corporation's beneficial interest in such perpetual trust assets was \$3,554,460 and \$3,793,267 at June 30, 2012 and 2011, respectively.

Under the terms of a charitable remainder trust agreement where the Corporation does not control the assets, the Corporation recorded an asset and recognized a temporarily restricted contribution at the fair value of the Corporation's beneficial interest in charitable remainder trust assets. Subsequent to certain events, the Corporation is entitled to the principal and income remaining in the trust. Subsequent changes in fair value are recorded as a change in value of split-interest agreement in temporarily restricted net assets. The fair value of the Corporation's beneficial interest in such charitable remainder trust assets was \$88,899 and \$89,845 at June 30, 2012 and 2011, respectively.

Under the terms of a charitable remainder trust agreement where the Corporation does not control the assets, the Corporation recorded an asset and recognized a permanently restricted contribution at the fair value of the Corporation's beneficial interest in charitable remainder trust assets. Subsequent to certain events, the Corporation is entitled to a portion of the principal and income remaining in the trust. Subsequent changes in fair value are recorded as a change in value of split-interest agreement in permanently restricted net assets. The fair value of the Corporation's beneficial interest in such charitable remainder trust assets was \$140,685 and \$147,613 at June 30, 2012 and 2011, respectively.

Environmental Remediation Liability

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Endowment Spending Policy

Commonwealth of Pennsylvania law permits the Corporation to allocate to income each year a portion of endowment return. The law allows non-profit organizations to spend a percentage of the market value of their endowment funds, including realized and unrealized gains. The percentage, which by law must be between 2% and 7%, is elected annually by the Board of Directors. The endowment market value is determined based on an average spanning three years. The Corporation's policy for fiscal years 2012 and 2011 allowed for a payout of up to 5% of the three-year average balance, which is based on market value.

Revenues in Excess of Expenses

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

Premium Revenues

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

Charity Care

The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Such patients are identified based on financial information obtained from the patient (or their guarantor) and subsequent analysis which includes the patient's ability to pay for services rendered. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as a component of net patient service revenue or patient accounts receivable.

Lease Revenue

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Donor-Restricted Gifts

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

Income Taxes

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

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

The Corporation accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. Management has determined that there were no tax uncertainties that met the recognition threshold in 2012 and 2011.

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

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

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

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs amounted to approximately \$516,000 in 2012 and \$503,000 in 2011.

Estimated Malpractice Costs

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Temporarily and Permanently Restricted Net Assets

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

Grant Income Used for Long-Term Purposes

The Corporation has been awarded various grants associated with its recent surgical and cardiovascular expansion project. Such grant awards were utilized for debt service payments, site acquisition, site preparation and construction. Such amounts are classified as grant income used for long-term purposes in the accompanying statements of operations and changes in net assets.

Reclassifications

Certain amounts in the 2011 consolidated financial statements have been reclassified to conform to the current year presentation.

2. New Accounting Standards

Charity Care

In August 2010, the Financial Accounting Standards Board ("FASB") issued amended disclosure guidance relating to the measurement of charity care provided. The guidance requires that direct and indirect costs be used as the basis of measurement for charity care disclosure purposes. The guidance also requires disclosure of the method used to identify or determine such costs. The adoption of the amended guidance revised the disclosure in the notes to the Corporation's consolidated financial statements but did not impact amounts reported in the consolidated financial statements.

Insurance Claims

In August 2010, the FASB issued Accounting Standards Update ("ASU") 2010-24, Presentation of Insurance Claims and Related Insurance Recoveries, which amended guidance relating to the presentation of insurance claims and related insurance recoveries. The guidance clarifies that health care entities may not net insurance recoveries against a related claim liability. In addition, the amount of the claim liability should be determined without consideration of insurance recoveries and estimated insurance recoveries, if any, should be measured and presented separately within the balance sheet. The adoption of the amended guidance resulted in presenting insurance recoveries and related liabilities on a gross basis in the Corporation's consolidated balance sheet and did not impact net assets.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Fair Value Measurements

In 2011, the Corporation adopted ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820): *Improving Disclosures about Fair Value Measurements*. ASU No. 2010-06 requires disaggregated and robust disclosures of fair value techniques and inputs to fair value measurements, transfers in and out of Levels 1 and 2 classifications, and reconciliation of Level 3 assets and liabilities on a gross (versus net) basis. While the Corporation adopted ASU No. 2010-06 in 2011, the changes to the Level 3 disclosure requirements were not effective until the year ended June 30, 2012. ASU No. 2010-06 did not have a material impact on the Corporation's financial statements, but expanded disclosures about certain fair value measurements.

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

Net Patient Service Revenue and Allowance for Doubtful Collections

In July 2011, the FASB issued ASU 2011-07 to amend and expand existing authoritative accounting guidance. In issuing ASU 2011-07, the FASB's objective was to provide financial statement users with greater transparency about a health care entity's net patient service revenues and related allowance for doubtful collections. The amended guidance is effective for fiscal years ending after December 15, 2012.

ASU 2011-07 requires health care entities to make the following changes to its existing accounting practices:

- Change the presentation of their statement of operations by reclassifying the provision for doubtful collections from an operating expense to a deduction from patient service revenues, net of contractual allowances and discounts;
- Disclose its policies for recognizing its provision for doubtful collections by major payor source of revenue, and provide qualitative and quantitative information about significant changes in the health care entities' allowance for doubtful collections; and
- Disclose, by major payor source, its policy for collectability in determining the timing and amount of patient service revenue, net of contractual allowances and discounts, to be recognized, and its patient service revenue, net of contractual allowances and discounts.

Upon adoption, ASU 2011-07 requires retrospective application to the requirements of presenting the provision for doubtful collections in the statement of operations, and prospective application of the disclosure requirements.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

The Corporation has not completed the process of evaluating the impact of this amended guidance in its consolidated financial statements.

Goodwill and Other Intangible Assets

Effective July 1, 2010, the Corporation adopted updated guidance issued by the FASB related to the recognition and subsequent accounting for goodwill or other intangible assets. The guidance required prospective application.

The difference between the carrying amount and fair value of the net assets of a reporting unit, as defined, at the date of implementation has been recognized as a change in unrestricted net assets in the accompanying consolidated statements of operations and changes in net assets. Based upon management's assessment upon implementation, such differences reduced unrestricted net assets by \$245,759 at July 1, 2010. This represents the net carrying value of goodwill at the date of implementation, which management deemed impaired (i.e. the carrying amount exceeded fair value). If such guidance had not been adopted in 2011, other assets and unrestricted net assets would have been increased by \$32,335, amortization expense would have been increased by \$213,424, revenue in excess of expenses would have been decreased by \$213,424, and effect of adoption of accounting standards would have decreased by \$245,759.

3. Net Patient Service Revenues

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

- **Medicare:** Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. The Corporation is reimbursed for cost reimbursable expenditures at tentative interim rates, with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicare fiscal intermediary. The Corporation's Medicare cost reports have been settled by the Medicare fiscal intermediary through June 30, 2010. Approximately 24% in 2012 and 25% in 2011 of net patient service revenue was attributable to the Medicare program.
- **Medical Assistance:** Inpatient acute care services rendered to Medical Assistance program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are paid based on a published fee schedule. Approximately 4% in 2012 and 5% in 2011 of net patient service revenue was attributable to the Medical Assistance program.
- **Blue Cross:** Inpatient services rendered to Capital Blue Cross subscribers are reimbursed at prospectively determined rates per case. Outpatient services are paid based on a percentage of established Corporation rates. Prior to July 1, 2006, the Corporation was tentatively reimbursed on an interim basis at other than contract rates with final settlement subsequently determined based on an analysis of actual claims. The Corporation's Capital Blue Cross contract has been settled through June 30, 2011. Approximately 34% in 2012 and 33% in 2011 of net patient service revenue was attributable to Blue Cross.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

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

Revenues received under certain third-party arrangements are subject to audit and retroactive adjustment. Net patient service revenues were increased by approximately \$33,000 in 2011 as a result of adjustments related to tentative and final settlements of prior year cost reports and other settlements. No adjustment was necessary for 2012.

4. Charity Care and Community Support

The Corporation maintains records to identify and monitor the level of charity care and community service it provides. The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care. The level of charity care provided by the Corporation amounted to approximately \$269,000 in 2012 and \$334,000 in 2011.

Community Support

Support of those in need include services provided to persons who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured, excluding those who qualify for charity care under the Corporation's policies. Community support also includes governmental program shortfalls, primarily from the Medicare and Medical Assistance programs. The costs associated with Corporation's community support for the years ended June 30, 2012 and 2011 is as follows:

	2012	2011
Governmental program shortfalls	\$ 19,361,000	\$ 15,157,000
Services provided for which payment was not received	\$ 3,920,000	6,010,000
Community health education programs	\$ 501,000	486,000
Volunteer services	\$ 1,088,000	\$ 951,000

Costs associated with governmental program shortfalls and services provided for which payment was not received are estimated by applying a cost-to-charge ratio to the related amount of gross charges. Costs associated with community health education programs are estimated based upon actual costs incurred to provide such programs, including an allocation of overhead costs to provide such programs. The cost of volunteer services, which do not meet the criteria for recognition, is estimated based upon the total number of volunteer hours tracked by the Corporation multiplied by the statewide average wage rate, as published by the Center for Workforce Information and Analysis.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

5. Investments

The Corporation's investments are presented on the consolidated balance sheet as follows:

	2012	2011
Assets whose use is limited:		
Under trust indenture, held by trustee:		
Current portion	\$ 2,658,545	\$ 801,116
Noncurrent portion	4,005,714	19,878,481
By board for future capital improvements	59,333,761	57,785,489
Internally designated for deferred compensation plans	8,648,515	8,291,668
Board-designated unrestricted contributions	2,397,581	2,349,110
Long-term investments	1,654,723	1,430,653
Total	<u>\$ 78,698,839</u>	<u>\$ 90,536,517</u>

Assets Whose Use is Limited

The composition of assets whose use is limited ("AWUIL") at June 30, 2012 and 2011 is set forth in the following table:

	2012	2011
By Board for future capital improvements:		
Cash and cash equivalents	\$ 3,801,871	\$ 4,861,395
Marketable equity securities:		
Domestic:		
Information technology	3,409,864	3,082,106
Consumer discretionary	2,266,488	2,259,780
Financial	2,158,084	2,603,007
Healthcare	2,111,066	1,795,012
Industrial	1,737,724	1,763,636
Energy	986,559	1,722,443
Other	1,169,131	2,152,977
International	3,483,909	700,258
Equity mutual funds:		
Large cap blend funds	4,120,525	4,056,681
Real estate funds	1,672,577	1,759,085
International	684,618	88,230
Small Cap	25,393	27,448
Other	1,767,842	1,759,497
Fixed income funds	15,812,433	15,854,277
Debt securities:		
Corporate, investment grade	6,580,026	6,049,209
U.S. government and agency obligations	1,476,434	5,328,195
Mortgage	4,184,120	957,770
Other	979,064	-
Cash surrender value of life insurance policies	739,237	703,676
Other	166,796	260,807
Total	<u>\$ 59,333,761</u>	<u>\$ 57,785,489</u>

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

	2012	2011
Internally designated for deferred compensation plans:		
Cash and cash equivalents	\$ 52,446	\$ 38,186
Cash surrender value of life insurance policies	6,528,888	6,499,478
Equity mutual funds:		
Large cap	804,624	789,735
Mid cap	63,042	43,168
Small cap	145,542	114,313
International	333,890	241,464
Other	59,570	30,015
Fixed income mutual funds	660,513	535,309
Total	<u>\$ 8,648,515</u>	<u>\$ 8,291,668</u>
Under trust indenture, held by trustee (Note 9):		
Cash and cash equivalents	\$ 6,664,211	\$ 20,679,370
Other	48	227
Total	6,664,259	20,679,597
Less funds held by trustee available to meet current liabilities	<u>2,658,545</u>	<u>801,116</u>
Noncurrent portion of funds held by trustee	<u>\$ 4,005,714</u>	<u>\$ 19,878,481</u>
Board-designated unrestricted contributions:		
Cash and cash equivalents	\$ 52,252	\$ 40,969
Equity mutual funds:		
Large cap	855,030	918,532
International	276,344	303,544
Small cap	108,288	116,167
Other	192,641	202,344
Fixed income mutual funds	907,511	767,554
Debt securities:		
U.S. government and agency obligations	5,515	-
Total	<u>\$ 2,397,581</u>	<u>\$ 2,349,110</u>

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Long-Term Investments

The composition of long-term investments at June 30, 2012 and 2011 is set forth in the following table:

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 20,484	\$ 836,043
Marketable equity securities:		
Healthcare	44,742	27,679
Information technology	42,917	22,417
Consumer discretionary	26,887	12,414
Industrial	11,465	12,177
Energy	14,012	10,010
Financial	7,658	1,460
Other	71,029	68,823
Equity mutual funds:		
Large cap	469,108	101,296
Small cap	30,075	13,744
International	96,638	44,065
Other	91,298	45,621
Fixed income funds	574,242	110,068
Debt securities:		
U.S. government and agency obligations	14,547	-
Corporate	139,091	124,160
Other	530	676
Total	<u>\$ 1,654,723</u>	<u>\$ 1,430,653</u>

Investment Income

Unrestricted investment income, gains, and losses for assets whose use is limited, cash and cash equivalents and long-term investments, net of spending policy, are comprised of the following in 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Investment income:		
Other revenues:		
Interest and dividend income	\$ 189,267	\$ 51,977
Realized gains on sales of securities	14,615	10,404
Unrealized (losses) gains on trading securities	(293,725)	1,041,652
Total other revenues	(89,843)	1,104,033
Other income:		
Interest and dividend income	2,103,608	2,156,060
Realized gains on sales of securities	896,997	1,583,303
Unrealized (losses) gains on trading securities	(624,998)	3,959,875
Investment fees	(307,992)	(300,102)
Total other income	<u>2,067,615</u>	<u>7,399,136</u>
Total	<u>\$ 1,977,772</u>	<u>\$ 8,503,169</u>

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

6. Fair Value Measurements and Financial Instruments

Fair Value Measurements

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

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

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

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

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

These financial instruments were measured using the following inputs at June 30, 2012 and 2011:

	2012			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments and AWUIL (Note 5):				
Cash and cash equivalents	\$ 10,591,264	\$ 10,591,264	\$ -	\$ -
Marketable equity securities:				
Domestic:				
Information technology	3,452,781	3,452,781	-	-
Consumer discretionary	2,293,375	2,293,375	-	-
Financial	2,165,742	2,165,742	-	-
Healthcare	2,155,808	2,155,808	-	-
Industrial	1,749,189	1,749,189	-	-
Energy	1,000,571	1,000,571	-	-
Other	1,240,160	1,240,160	-	-
International	3,483,909	3,483,909		
Equity mutual funds:				
Large cap	6,249,287	6,249,287	-	-
Real estate	1,672,577	1,672,577		
International	1,391,490	1,391,490		
Small cap	309,298	309,298	-	-
Mid cap	63,042	63,042	-	-
Other	2,111,351	2,111,351		
Fixed income mutual funds	17,954,699	17,954,699		
Debt Securities				
Corporate	6,719,117	-	6,719,117	-
U.S. government and agency obligations	1,496,496	-	1,496,496	-
Mortgage	4,184,120	-	4,184,120	-
Other	979,064	-	979,064	-
Other	167,374	-	167,374	-
Total	71,430,714	57,884,543	13,546,171	-
Beneficial interest in perpetual trusts	3,554,460	-	-	3,554,460
Beneficial interest in charitable remainder trusts	229,584	-	-	229,584
Total	\$ 75,214,758	\$ 57,884,543	\$ 13,546,171	\$ 3,784,044

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

	2011			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments and AWUIL (Note 5)				
Cash and cash equivalents	\$ 26,455,963	\$ 26,455,963	\$ -	\$ -
Marketable equity securities:				
Domestic:				
Information technology	3,104,523	3,104,523	-	-
Financials	2,604,467	2,604,467	-	-
Industrial	1,775,813	1,775,813	-	-
Consumer discretionary	2,272,194	2,272,194	-	-
Energy	1,732,453	1,732,453	-	-
Healthcare	1,822,691	1,822,691	-	-
Other	2,221,800	2,221,800	-	-
International	700,258	700,258	-	-
Equity mutual funds:				
Large cap	5,866,244	5,866,244	-	-
Small cap	271,672	271,672	-	-
Mid cap	43,168	43,168	-	-
International	677,303	677,303	-	-
Real estate	1,759,085	1,759,085	-	-
Other	2,037,477	2,037,477	-	-
Fixed income mutual funds	17,267,208	17,267,208	-	-
Debt Securities:				
Corporate	6,173,369	-	6,173,369	-
Mortgage	957,770	-	957,770	-
U S government and agency obligations	5,328,195	-	5,328,195	-
Other	261,710	-	261,710	-
Total	83,333,363	70,612,319	12,721,044	-
Beneficial interest in perpetual trusts	3,793,267	-	-	3,793,267
Beneficial interest in charitable remainder trusts	237,458	-	-	237,458
Total	\$ 87,364,088	\$ 70,612,319	\$ 12,721,044	\$ 4,030,725

Investments also include \$7,268,125 and \$7,203,154 at June 30, 2012 and 2011 of cash surrender value of life insurance policies. These are excluded from the fair value hierarchy because they are recorded at contract value.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

The Corporation measures its beneficial interest in perpetual trusts at fair value based on the fund's underlying investments using unobservable inputs (Level 3) in accordance with accounting principles generally accepted in the United States of America. Changes to the beneficial interest perpetual trusts in 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 3,793,267	\$ 3,199,550
Investment income from beneficial interest in perpetual trust	199,307	200,770
Distributions from beneficial interest in perpetual trust	(199,307)	(200,770)
Valuation (loss) gain, net	<u>(238,807)</u>	<u>593,717</u>
Total	<u>\$ 3,554,460</u>	<u>\$ 3,793,267</u>

The Corporation measures its beneficial interest in charitable remainder trusts at fair value based on the fund's underlying investments using unobservable inputs (Level 3) in accordance with accounting principles generally accepted in the United States of America. Changes to the beneficial interest in charitable remainder trusts in 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 237,458	\$ 199,702
Contribution	-	8,500
Change in value of split interest agreement	<u>(7,874)</u>	<u>29,256</u>
Total	<u>\$ 229,584</u>	<u>\$ 237,458</u>

Financial Instruments

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

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

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

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

The fair value of bonds payable was estimated using quoted market prices. The fair value of the Corporation's bonds payable was approximately \$53,023,000 and the carrying amount was \$49,995,000 at June 30, 2012. The fair value of the Corporation's bonds payable was approximately \$50,178,000 and the carrying amount was \$51,755,000 at June 30, 2011. The carrying amount of mortgage payable and notes payable approximates fair value at June 30, 2012 and 2011 based on borrowing rates available to the Corporation for debt with similar terms, maturity, and credit risk.

7. Property and Equipment

Property and equipment and accumulated depreciation as of June 30, 2012 and 2011, are as follows:

	2012	2011
Land	\$ 6,767,238	\$ 3,402,982
Land improvements	3,896,657	3,936,324
Buildings	74,052,345	70,203,750
Fixed equipment	25,808,282	23,216,218
Movable equipment	53,674,783	48,976,962
Leasehold improvements	2,045,730	341,624
Construction in progress	35,803,112	18,048,333
Total	202,048,147	168,126,193
Less accumulated depreciation and amortization	88,498,206	80,971,962
Property and equipment, net	\$ 113,549,941	\$ 87,154,231

Depreciation expense was \$7,792,161 in 2012 and \$7,213,552 in 2011.

The Corporation has entered into capital lease agreements for the purchase of certain equipment. The net book value of this equipment is included in the above movable equipment total. The cost of this equipment was \$1,904,313 at June 30, 2012 and June 30, 2011 and accumulated depreciation totaled \$805,895 at June 30, 2012 and \$307,770 at June 30, 2011.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

8. Deferred Financing Costs and Other Assets

Deferred financing costs and other assets and related accumulated amortization as of June 30, 2012 and 2011 consist of the following:

	<u>2012</u>	<u>2011</u>
Deferred financing costs:		
Cost	\$ 1,992,193	\$ 1,992,193
Less accumulated amortization	<u>456,649</u>	<u>379,258</u>
Net	<u>1,535,544</u>	<u>1,612,935</u>
Other investments:		
Community Hospital Alternative For Risk Transfer	1,471,062	758,614
Evangelical Ambulatory Surgical Center, LLC	904,029	852,085
Central Susquehanna Healthcare Providers, Inc.	<u>154,798</u>	<u>165,623</u>
Total	<u>2,529,889</u>	<u>1,776,322</u>
Deferred financing costs and other assets, net	<u><u>\$ 4,065,433</u></u>	<u><u>\$ 3,389,257</u></u>

9. Hospital Revenue Bonds

A summary of hospital revenue bonds as of June 30, 2012 and 2011 is as follows:

	<u>2012</u>	<u>2011</u>
Series 2011 Hospital Revenue Bonds due in varying annual installments through August 1, 2041, plus interest at rates ranging from 2.55% to 7.00%	\$ 28,880,000	\$ 30,235,000
Series 2004 Hospital Revenue Bonds due in varying annual installments through August 1, 2034, plus interest at rates ranging from 3.40% to 5.25%	<u>21,115,000</u>	<u>21,520,000</u>
Total	49,995,000	51,755,000
Less current maturities	<u>1,660,000</u>	<u>1,760,000</u>
Long-term debt	<u><u>\$ 48,335,000</u></u>	<u><u>\$ 49,995,000</u></u>

The scheduled principal repayments as of June 30, 2012 are as follows:

Years ending June 30:	
2013	\$ 1,660,000
2014	1,715,000
2015	1,785,000
2016	1,855,000
2017	1,935,000
Thereafter	<u>41,045,000</u>
Total	<u><u>\$ 49,995,000</u></u>

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

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

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

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

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

10. Notes Payable

A summary of notes payable as of June 30, 2012 is as follows:

	<u>2012</u>	<u>2011</u>
Mortgage payable due in annual installments of \$800,000, including interest at 3.18% through January 2014; secured by certain real estate	\$ 1,550,000	\$ -
Note payable due in monthly installments of \$7,008, including interest at 1.00% through November 2021; secured by certain equipment	749,119	-
Note payable due in annual installments of \$25,000 including interest at 0% through October 2014 with a final balloon payment of \$100,000 due January 2020; secured by certain equipment	<u>175,000</u>	<u>-</u>
Total	2,474,119	-
Less current maturities	<u>876,961</u>	<u>-</u>
Long-term debt	<u>\$ 1,597,158</u>	<u>\$ -</u>

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

The scheduled principal repayments as of June 30, 2012 are as follows:

Years ending June 30:	
2013	\$ 876,961
2014	877,734
2015	103,515
2016	79,304
2017	80,100
Thereafter	<u>456,505</u>
Total	<u>\$ 2,474,119</u>

11. Obligations Under Capital Leases

The Corporation entered into equipment leases under agreements classified as capital leases. The following is a schedule of the future minimum lease payments under the capital leases, together with the present value of the net monthly lease payments, as of June 30, 2012:

2013	\$ 445,704
2014	383,008
2015	69,528
2016	69,528
2017	69,528
Thereafter	<u>5,794</u>
Total minimum lease payments	1,043,090
Less amount representing interest	<u>96,857</u>
Present value of net minimum lease payments	<u>\$ 946,233</u>

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

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

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Current maturities of obligations under capital leases	\$ 402,119	\$ 385,590
Long-term debt	<u>544,114</u>	<u>947,256</u>
Total	<u>\$ 946,233</u>	<u>\$ 1,332,846</u>

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

12. Accrued Expenses

Accrued expenses at June 30, 2012 and 2011 are summarized as follows:

	2012	2011
Paid time off	\$ 4,430,114	\$ 4,000,539
Salaries and wages	2,469,981	1,973,176
Interest	1,132,741	986,591
Employee health and dental insurance coverage	1,800,060	940,000
Retirement plan	549,687	520,430
Other	563,416	287,727
Workers' compensation	430,000	170,000
Total	<u>\$ 11,375,999</u>	<u>\$ 8,878,463</u>

13. Retirement Plan

The Corporation maintains a defined contribution retirement plan covering substantially all employees which incorporates the tax-deferred salary provisions of Section 401(k) of the Internal Revenue Code. The Corporation's expense relating to this plan amounted to approximately \$1,791,000 in 2012 and \$1,642,000 in 2011.

14. Deferred Compensation Plans

The Corporation maintains nonqualified deferred compensation arrangements for certain employees. Benefits payable under the terms of these arrangements are measured and accrued during the years they are earned. The Corporation funds a portion of its obligation with the trustees for the plans. Included in assets whose use is limited is \$8,648,515 and \$8,291,668 related to these plans at June 30, 2012 and 2011, respectively. The Corporation's obligation related to these plans amounted to \$11,264,889 and \$10,615,478 at June 30, 2012 and 2011, respectively.

15. Postretirement Benefit Plan

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

The following table sets forth the change in benefit obligation, the fair value of plan assets, and the amounts recognized in the balance sheet at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 5,394,555	\$ 5,192,589
Service cost	93,781	103,946
Interest cost	251,150	280,066
Plan participants' contributions	190,027	182,826
Plan amendments	-	61,681
Actuarial loss	846,533	21,199
Benefits paid	<u>(448,393)</u>	<u>(447,752)</u>
Benefit obligation, end of year	<u>6,327,653</u>	<u>5,394,555</u>
Change in plan assets:		
Employer contribution	258,366	264,926
Plan participants' contributions	190,027	182,826
Benefits paid	<u>(448,393)</u>	<u>(447,752)</u>
Fair value of plan assets, end of year	<u>-</u>	<u>-</u>
Funded status at end of year	<u>\$ (6,327,653)</u>	<u>\$ (5,394,555)</u>
Benefit obligation, end of year	<u>\$ 6,327,653</u>	<u>\$ 5,394,555</u>
Reconciliation of amounts recognized in the balance sheet:		
Current portion of accrued postretirement benefit costs	\$ 267,382	\$ 284,675
Accrued postretirement benefit costs	<u>6,060,271</u>	<u>5,109,880</u>
Total	<u>\$ 6,327,653</u>	<u>\$ 5,394,555</u>

The following table sets forth the components of net periodic pension cost in 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Service cost	\$ 93,781	\$ 103,946
Interest cost	251,150	280,066
Recognized net actuarial gain	(106,013)	(108,228)
Amortization of prior service cost	<u>(16,396)</u>	<u>-</u>
Net periodic benefit cost	<u>\$ 222,522</u>	<u>\$ 275,784</u>

The Corporation's contribution to the plan in 2013 is expected to be approximately \$267,000.

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

The previously unrecognized components of net periodic postretirement benefits cost included in unrestricted net assets at June 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Net actuarial (loss) gain	\$ (594,779)	\$ 268,150
Prior service cost	<u>1,223,914</u>	<u>1,329,927</u>
Total	<u>\$ 629,135</u>	<u>\$ 1,598,077</u>

Estimated amortization of prior service cost of \$106,000 is expected to be recognized in net periodic postretirement benefit cost in 2013.

The weighted-average assumptions used in computing the benefit obligation at June 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Discount rate	3.75 %	5.25 %
Rate of compensation increase	N/A	N/A

The weighted-average assumptions used in the measurement of net periodic postretirement benefit cost for the years ended June 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Discount rate	5.25 %	5.25 %
Expected long-term return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A

Assumed healthcare costs trend rates at June 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Health care cost trend rate assumed for next year	7.00 %	8.00 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00 %	5.00 %
Year that the rate reaches the ultimate trend rate	2014	2014

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

The effects of a 1% increase or decrease in the assumed health care cost trend rates for 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
1% Increase:		
Effect on total service and interest cost components	\$ 49,362	\$ 57,732
Effect on accumulated postretirement benefit obligation	874,844	636,231
1% Decrease:		
Effect on total service and interest cost components	(40,973)	(47,787)
Effect on accumulated postretirement benefit obligation	(730,478)	(543,788)

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

Years ending June 30:	
2013	\$ 267,000
2014	274,000
2015	328,000
2016	331,000
2017	340,000
2018-2022	1,862,000

16. Temporarily and Permanently Restricted Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Purchases of property and equipment	\$ 953,577	\$ 1,380,892
Other	441,898	315,443
Total	<u>\$ 1,395,475</u>	<u>\$ 1,696,335</u>

The Corporation released \$914,770 in 2012 and \$1,821,973 in 2011 of temporarily restricted net assets since the donors' restrictions had been met.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Permanently Restricted Net Assets

Permanently restricted net assets consist of permanent endowment funds held by the Corporation in perpetuity; the Corporation's beneficial interest in several perpetual trusts held by banks serving as trustee; and the Corporation's permanently restricted beneficial interest in a charitable remainder trust held by a third-party trustee. The terms of the perpetual trusts are such that the Corporation receives a portion of the income earned on the trust assets as earned in perpetuity. The terms of the charitable remainder trust are such that subsequent to certain events, the Corporation is entitled to a portion of the principal and income remaining in the trust. Trust assets consist primarily of marketable equity securities, debt securities, mutual funds, and cash equivalents and are recorded at their fair values as of June 30, 2012 and 2011 as follows:

	2012	2011
Permanent endowment funds, the income from which is expendable to support various healthcare services and provide nursing scholarships (reported as investment income)	\$ 1,360,151	\$ 1,246,583
Beneficial interest in perpetual trusts, the income from which is expendable to support healthcare services (reported as investment income)	3,554,460	3,793,267
Beneficial interest in charitable remainder trust, to be added to the Corporation's general endowment fund upon distribution	140,685	147,613
Total	<u>\$ 5,055,296</u>	<u>\$ 5,187,463</u>

17. Endowment Funds

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

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

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

- (1) The duration and preservation of the fund
- (2) The purposes of the Corporation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Corporation
- (7) The investment policies of the Corporation

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

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

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

Endowment net asset composition by type of fund as of June 30, 2012 consists of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (3,734)	\$ 298,306	\$ 1,360,151	\$ 1,654,723
Board-designated endowment funds	<u>255,011</u>	<u>-</u>	<u>-</u>	<u>255,011</u>
Total endowment funds	<u>\$ 251,277</u>	<u>\$ 298,306</u>	<u>\$ 1,360,151</u>	<u>\$ 1,909,734</u>

Changes in endowment net assets for the year ended June 30, 2012 consists of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 219,306	\$ 197,632	\$ 1,246,583	\$ 1,663,521
Investment return:				
Investment income	6,215	47,252	(712)	52,755
Net (depreciation) appreciation (realized and unrealized)	<u>25,756</u>	<u>96,872</u>	<u>-</u>	<u>122,628</u>
Total investment return	31,971	144,124	(712)	175,383
Contributions	-	-	114,280	114,280
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(43,450)</u>	<u>-</u>	<u>(43,450)</u>
	<u>\$ 251,277</u>	<u>\$ 298,306</u>	<u>\$ 1,360,151</u>	<u>\$ 1,909,734</u>

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (13,564)	\$ 197,632	\$ 1,246,583	\$ 1,430,651
Board-designated endowment funds	<u>232,870</u>	<u>-</u>	<u>-</u>	<u>232,870</u>
Total endowment funds	<u>\$ 219,306</u>	<u>\$ 197,632</u>	<u>\$ 1,246,583</u>	<u>\$ 1,663,521</u>

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 202,770	\$ 113,051	\$ 844,644	\$ 1,160,465
Investment return:				
Investment income	1,800	93,013	22,099	116,912
Net (depreciation) appreciation (realized and unrealized)	<u>14,736</u>	<u>42,620</u>	<u>-</u>	<u>57,356</u>
Total investment return	16,536	135,633	22,099	174,268
Contributions	-	-	379,840	379,840
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(51,052)</u>	<u>-</u>	<u>(51,052)</u>
	<u>\$ 219,306</u>	<u>\$ 197,632</u>	<u>\$ 1,246,583</u>	<u>\$ 1,663,521</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or law requires the Corporation to retain as a fund of perpetual duration. In accordance with accounting principles accepted in the United States of America, deficiencies of this nature that are reported in unrestricted net assets were \$3,734 as of June 30, 2012 and \$13,564 as of June 30, 2011. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

18. Pledges Receivable

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

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

Pledges receivable are recorded as follows as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Capital campaign pledges before unamortized discount and allowance for uncollectible pledges	\$ 1,101,636	\$ 1,480,067
Less unamortized discount	<u>37,895</u>	<u>36,937</u>
Total	1,063,741	1,443,130
Less allowance for uncollectible pledges	<u>110,164</u>	<u>157,907</u>
Net unconditional promises to give	<u>\$ 953,577</u>	<u>\$ 1,285,223</u>
Amounts due in:		
Less than one year	\$ 415,825	\$ 412,980
One to five years	<u>685,811</u>	<u>1,067,087</u>
Total	<u>\$ 1,101,636</u>	<u>\$ 1,480,067</u>

The net present value of these cash flows was determined using a discount rate of 4% to account for the time value of money for 2012 and 2011.

19. Medical Malpractice Claims Coverage

At June 30, 2012, the Corporation's medical malpractice insurance coverages are provided under the provisions of four insurance arrangements, as follows:

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

MCARE Fund coverage – The Pennsylvania Medical Care Availability and Reduction of Error Fund ("MCARE Fund") provides excess coverage per the Pennsylvania law governing the MCARE Fund. Pursuant to the per occurrence and aggregate limits set forth in the controlling Pennsylvania statutes, the MCARE Fund provides coverage for losses in excess of the primary coverage that was in effect on the date of the incident. The cost of MCARE Fund coverage is recognized as expense in the period incurred. Increases in annual surcharges and concerns over the MCARE Fund's ability to manage and pay claims continue to result in proposals to reform or restructure the MCARE Fund. MCARE Fund coverage is currently scheduled to be reduced, unless the State Insurance Commissioner determines that additional primary insurance capacity is not available at that time, and to be eliminated in 2013. The Corporation will be required to purchase additional primary insurance to take the place of the MCARE Fund coverage if it is reduced. Depending upon the ultimate resolution of this matter, the Corporation may incur additional insurance costs.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

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

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

The above primary, umbrella, and excess coverages are provided by Community Hospital Alternative for Risk Transfer ("CHART"). CHART has been formed as a reciprocal risk retention group to provide liability insurance, reinsurance, and risk management services for its subscribers. Effective May 1, 2002, the Corporation became a subscriber in CHART. The Corporation invested \$1,471,062 at June 30, 2012 and \$758,614 at June 30, 2011 in CHART and this investment is included in other assets in the accompanying consolidated balance sheet. This investment is accounted for using the cost method since the Corporation's ownership interest is less than twenty percent.

A portion of the annual primary coverage premium is retrospectively determined based on the actual costs incurred by CHART on behalf of the Corporation. As of June 30, 2012, premiums totaling \$198,061 are subject to retrospective determination. The Corporation can be assessed additional premiums up to this amount. The obligation to pay additional premiums is secured by an Irrevocable Letter of Credit of \$198,061. Unused premiums are refundable to the Corporation.

At June 30, 2012, the Corporation cannot determine the amount of any additional premiums it may be assessed nor any premium refunds it may ultimately be entitled to and has, therefore, expensed the billed premiums ratably over the term of the policy.

The Corporations' estimated future payments of its asserted and unasserted medical malpractice claims liability was \$1,865,699 at June 30, 2012 (of which \$1,113,454 is recorded as insurance recoveries receivable) and \$809,884 at June 30, 2011, using a 3% discount rate.

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

20. Self-Funded Insurance Plans

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

The Corporation maintains a self-funded plan for workers' compensation insurance costs. The Corporation has accrued the estimated cost of incurred and reported and incurred but not reported claims based upon data provided by the third-party administrator of the program, its historical claims experience, and the terms of its excess workers' compensation insurance policy. Under the terms of this policy, the Corporation is subject to a maximum retention of \$350,000 per occurrence and a per occurrence and aggregate policy limit of \$1,000,000. The Corporation also maintains a \$900,000 surety bond to secure its future obligations under the terms of this self-insurance program.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

21. Concentrations of Credit Risk

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

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

22. Future Rentals

The following is a schedule by year of the annual minimum future rentals due to the Corporation under the terms of noncancelable operating leases as of June 30, 2012:

Years ending June 30:	
2013	\$ 983,944
2014	924,116
2015	777,066
2016	630,306
2017	276,176
Total	\$ 3,591,608

The Corporation expects to renew and/or lease space at the expiration of operating leases in effect as of June 30, 2012.

23. Commitments

Operating Leases

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

The following is a schedule by year of the future minimum payments required under operating leases as of June 30, 2012:

Years ending June 30:	
2013	\$ 629,641
2014	501,893
2015	319,549
2016	209,081
2017	187,802
Thereafter	246,077
Total	\$ 2,094,043

Rent expense amounted to approximately \$1,211,000 in 2012 and \$1,160,000 in 2011.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

24. Contingencies

Healthcare Industry

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

Asbestos Removal

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

25. Functional Expenses

The Corporation provides general acute care and related services to individuals within its geographic region. Expenses related to providing these services in 2012 and 2011 are approximately as follows (In thousands):

	2012	2011
Healthcare and other related services	\$ 126,022	\$ 117,351
General and administrative	21,495	17,886
Fundraising	612	628
Total expenses	<u>\$ 148,129</u>	<u>\$ 135,865</u>

25. Business and Credit Concentrations

The Corporation grants credit to patients, substantially all of whom are local residents. The Corporation generally does not require collateral or other security in extending credit; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits receivable under their health insurance programs, plans or policies.

Evangelical Community Hospital and Controlled Entities

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

At June 30, 2012 and 2011, concentrations of gross receivables from third-party payors and others are as follows:

	<u>2012</u>	<u>2011</u>
Medicare	25 %	33 %
Medicaid	14	12
Blue Cross	14	11
Other third party payers	27	30
Self-pay and others	20	14
	<u>100 %</u>	<u>100 %</u>

Gross patient service revenue, by payor class, consisted of the following for the years ended June 30:

	<u>2012</u>	<u>2011</u>
Medicare	30 %	32 %
Medicaid	10	9
Blue Cross	25	24
Other third party payers	31	32
Self-pay and others	4	3
	<u>100 %</u>	<u>100 %</u>

Independent Auditors' Report on Supplementary Information

Board of Directors
Evangelical Community Hospital

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating schedules on pages 41 through 48 are presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

ParenteBeard LLC

Williamsport, Pennsylvania
October 31, 2012

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2012

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Assets					
Current Assets					
Cash and cash equivalents	\$ 14,363,718	\$ 915,609	\$ 55,742	\$ -	\$ 15,335,069
Assets whose use is limited under trust indenture, held by trustee	2,658,545	-	-	-	2,658,545
Accounts receivable					
Patients (net of estimated allowance for doubtful accounts of (\$6,219,000))	12,009,021	-	1,354,474	-	13,363,495
Other (net of estimated allowance for doubtful accounts of \$33,000)	721,042	140,563	158,478	-	1,020,083
Affiliates	122,984	-	-	(122,984)	-
Estimated third-party payor settlements	356,700	-	-	-	356,700
Current portion of note receivable	115,844	-	-	-	115,844
Inventories of drugs and supplies	2,691,289	83,755	129,176	-	2,904,220
Prepaid expenses and other current assets	2,108,960	10,643	293,096	-	2,412,699
Total current assets	35,148,103	1,150,570	1,990,966	(122,984)	38,166,655
Assets Whose Use Is Limited					
By Board for future capital improvements	59,333,761	-	-	-	59,333,761
Internally designated for deferred compensation plans	1,601,863	-	7,046,652	-	8,648,515
Under trust indenture, held by trustee	4,005,714	-	-	-	4,005,714
Board-designated unrestricted contributions	2,397,581	-	-	-	2,397,581
Long-Term Investments	1,654,723	-	-	-	1,654,723
Beneficial Interest in Perpetual Trusts	3,554,460	-	-	-	3,554,460
Beneficial Interest in Charitable Remainder Trusts	229,584	-	-	-	229,584
Pledges Receivable, Net	953,577	-	-	-	953,577
Note Receivable	1,345,947	-	-	-	1,345,947
Property and Equipment, Net	112,567,581	722,469	259,891	-	113,549,941
Goodwill	1,785,940	-	581,278	-	2,367,218
Estimated Medical Malpractice Insurance Recoveries	990,649	-	122,805	-	1,113,454
Deferred Financing Costs and Other Assets, Net	4,065,433	-	-	-	4,065,433
Total assets	\$ 229,634,916	\$ 1,873,039	\$ 10,001,592	\$ (122,984)	\$ 241,386,563

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2012

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Liabilities and Net Assets					
Current Liabilities					
Current maturities of					
Hospital revenue bonds	\$ 1,660,000	\$ -	\$ -	\$ -	\$ 1,660,000
Notes payable	876,961	-	-	-	876,961
Capital lease obligations	402,119	-	-	-	402,119
Accounts payable					
Trade	4,624,722	57,365	155,858	-	4,837,945
Construction	2,356,575	-	-	-	2,356,575
Affiliates	-	67,452	55,532	(122,984)	-
Accrued and withheld payroll taxes, etc	441,119	-	123,052	-	564,171
Accrued expenses	9,622,456	32,437	1,721,106	-	11,375,999
Environmental remediation liability	174,488	-	-	-	174,488
Blue Cross current financing advance	1,057,200	-	-	-	1,057,200
Current portion of accrued postretirement benefit costs	267,382	-	-	-	267,382
Total current liabilities	21,483,022	157,254	2,055,548	(122,984)	23,572,840
Long-Term Debt					
Hospital revenue bonds	48,335,000	-	-	-	48,335,000
Notes payable	1,597,158	-	-	-	1,597,158
Capital lease obligations	544,114	-	-	-	544,114
Deferred Compensation	1,804,135	-	9,460,754	-	11,264,889
Charitable Gift Annuities Payable	685,626	-	-	-	685,626
Accrued Postretirement Benefit Costs	6,060,271	-	-	-	6,060,271
Estimated Medical Malpractice Claims Liability	1,474,144	-	391,555	-	1,865,699
Total liabilities	81,983,470	157,254	11,907,857	(122,984)	93,925,597
Net Assets (Deficit)					
Unrestricted	141,200,675	1,715,785	(1,906,265)	-	141,010,195
Temporarily restricted	1,395,475	-	-	-	1,395,475
Permanently restricted	5,055,296	-	-	-	5,055,296
Total net assets (deficit)	147,651,446	1,715,785	(1,906,265)	-	147,460,966
Total liabilities and net assets	\$ 229,634,916	\$ 1,873,039	\$ 10,001,592	\$ (122,984)	\$ 241,386,563

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Statement of Operations
Year Ended June 30, 2012

	Evangelical Community Hospital	Evangelical Community Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Unrestricted Revenues, Gains, and Other Support					
Patient service revenues (net of contractual allowances and discounts)	\$ 131,321,181	\$ -	\$ 17,243,087	\$ -	\$ 148,564,268
Other revenues	5,160,621	1,875,723	567,465	(2,099,588)	5,504,221
Net assets released from restrictions	239,156	-	-	-	239,156
Gain on the sale and disposal of property and equipment	5,742	-	-	-	5,742
Total unrestricted revenues, gains, and other support	136,726,700	1,875,723	17,810,552	(2,099,588)	154,313,387
Expenses					
Salaries and wages	50,413,193	542,869	3,401,110	-	54,357,172
Supplies and expenses	43,699,422	801,433	3,281,021	(1,621,452)	46,160,424
Employee benefits	12,958,936	233,785	2,658,498	-	15,851,219
Physician salaries and fees	1,450,876	-	10,729,617	(478,136)	11,702,357
Provision for bad debts	7,918,576	76,644	1,428,828	-	9,424,048
Depreciation	7,384,340	307,735	100,086	-	7,792,161
Interest (net of capitalized interest of \$1,114,148)	1,665,052	-	-	-	1,665,052
Insurance	5,546	19,968	1,073,389	-	1,098,903
Amortization	77,391	-	-	-	77,391
Total expenses	125,573,332	1,982,434	22,672,549	(2,099,588)	148,128,727
Operating income (loss)	11,153,368	(106,711)	(4,861,997)	-	6,184,660
Other Income					
Investment income	2,066,907	-	708	-	2,067,615
Contributions	1,023,702	-	-	-	1,023,702
Equity in income of investees	68,281	-	-	-	68,281
Other income	3,158,890	-	708	-	3,159,598
Revenues in excess of (less than) expenses	14,312,258	(106,711)	(4,861,289)	-	9,344,258
Grant Income Used for Long-Term Purposes	1,017,235				1,017,235
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	675,614	-	-	-	675,614
Postretirement Benefit Liability Adjustment	(968,942)	-	-	-	(968,942)
Transfers	(4,800,000)	-	4,800,000	-	-
Increase (decrease) in unrestricted net assets	\$ 10,236,165	\$ (106,711)	\$ (61,289)	\$ -	\$ 10,068,165

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Statement of Changes in Net Assets (Deficit)
Year Ended June 30, 2012

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Unrestricted Net Assets					
Revenues (less than) in excess of expenses	\$ 14,312,258	\$ (106,711)	\$ (4,861,289)	\$ -	\$ 9,344,258
Grant income used for long-term purposes	1,017,235	-	-	-	1,017,235
Net assets released from restrictions used for purchase of property and equipment	675,614	-	-	-	675,614
Postretirement benefit liability adjustment	(968,942)	-	-	-	(968,942)
Transfers	(4,800,000)	-	4,800,000	-	-
	<u>10,236,165</u>	<u>(106,711)</u>	<u>(61,289)</u>	<u>-</u>	<u>10,068,165</u>
Increase (decrease) in unrestricted net assets					
Temporarily Restricted Net Assets					
Contributions and grants	544,184	-	-	-	544,184
Investment income	78,672	-	-	-	78,672
Change in value of split-interest agreement	(8,946)	-	-	-	(8,946)
Net assets released from restrictions	(914,770)	-	-	-	(914,770)
	<u>(300,860)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,860)</u>
Decrease in temporarily restricted net assets					
Permanently Restricted Net Assets					
Contributions	114,280	-	-	-	114,280
Investment loss	(712)	-	-	-	(712)
Valuation gain	(238,807)	-	-	-	(238,807)
Change in value of split-interest agreement	(6,928)	-	-	-	(6,928)
	<u>(132,167)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(132,167)</u>
Decrease in permanently restricted net assets					
Increase (decrease) in net assets	9,803,138	(106,711)	(61,289)	-	9,635,138
Net Assets (Deficit), Beginning	<u>137,848,308</u>	<u>1,822,496</u>	<u>(1,844,976)</u>	<u>-</u>	<u>137,825,828</u>
Net Assets (Deficit), Ending	<u>\$ 147,651,446</u>	<u>\$ 1,715,785</u>	<u>\$ (1,906,265)</u>	<u>\$ -</u>	<u>\$ 147,460,966</u>

Evangelical Community Hospital And Controlled Entities

Consolidating Schedule, Balance Sheet

June 30, 2011

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

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2011

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

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Statement of Operations

Year Ended June 30, 2011

Unrestricted Revenues, Gains, and Other Support

Patient service revenues (net of contractual allowances and discounts)
Other revenues
Net assets released from restrictions
Loss on the sale and disposal of property and equipment

Total unrestricted revenues, gains, and other support

Expenses

Salaries and wages
Supplies and expenses
Employee benefits
Physician salaries and fees
Provision for bad debts
Depreciation
Interest (net of capitalized interest of \$373,208)
Insurance
Loss on refinancing of debt
Amortization

Total expenses

Operating income (loss)

Other Income

Investment income
Contributions
Equity in income of investees

Other income

Revenues in excess of (less than) expenses

Postretirement Benefit Liability Adjustment

Net Assets Released from Restrictions Used for
Purchase of Property and Equipment

Transfers

Increase in Unrestricted Net Assets Before Effect of
Adoption of New Accounting Standard

Effect of Adoption of New Accounting Standard

Increase (decrease) in unrestricted net assets

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
\$ 122,053,729	\$ -	\$ 13,803,573	\$ -	\$ -	\$ 135,857,302
5,107,536	1,973,630	1,752,142	-	(2,121,865)	6,711,443
251,152	-	-	-	-	251,152
(86,351)	-	-	-	-	(86,351)
127,326,066	1,973,630	15,555,715	-	(2,121,865)	142,733,546
45,767,502	555,347	2,547,534	-	-	48,870,383
42,266,937	795,265	2,873,065	(1,602,794)	-	44,332,473
12,532,338	260,664	3,244,471	-	-	16,037,473
1,816,925	-	8,203,489	(519,071)	-	9,501,343
6,222,471	55,957	1,053,394	-	-	7,331,822
6,793,686	315,542	104,324	-	-	7,213,552
1,527,439	-	-	-	-	1,527,439
192,467	21,817	383,568	-	-	597,852
286,495	-	-	-	-	286,495
79,594	-	-	-	-	79,594
117,485,854	2,004,592	18,409,845	(2,121,865)	-	135,778,426
9,840,212	(30,962)	(2,854,130)	-	-	6,955,120
7,397,749	-	1,387	-	-	7,399,136
1,162,059	-	-	-	-	1,162,059
94,601	-	-	-	-	94,601
8,654,409	-	1,387	-	-	8,655,796
18,494,621	(30,962)	(2,852,743)	-	-	15,610,916
(191,108)	-	-	-	-	(191,108)
1,570,821	-	-	-	-	1,570,821
(1,950,000)	(700,000)	2,650,000	-	-	-
17,924,334	(730,962)	(202,743)	-	-	16,990,629
-	-	(245,759)	-	-	(245,759)
\$ 17,924,334	\$ (730,962)	\$ (448,502)	\$ -	\$ -	\$ 16,744,870

Evangelical Community Hospital and Controlled Entities

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

Year Ended June 30, 2011

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Eliminations	Consolidated
Unrestricted Net Assets					
Revenues in excess of (less than) expenses	\$ 18,494,621	\$ (30,962)	\$ (2,852,743)	\$ -	\$ 15,610,916
Net assets released from restrictions used for purchase of property and equipment	1,570,821	-	-	-	1,570,821
Postretirement benefit liability adjustment	(191,106)	-	-	-	(191,106)
Transfers	(1,950,000)	(700,000)	2,650,000	-	-
Increase (decrease) in unrestricted net assets before effect of adoption of new accounting standard	17,924,334	(730,962)	(202,743)	-	16,990,629
Effect of adoption of new accounting standard	-	-	(245,759)	-	(245,759)
Increase (decrease) in unrestricted net assets	17,924,334	(730,962)	(448,502)	-	16,744,870
Temporarily Restricted Net Assets					
Contributions and grants	2,023,167	-	-	-	2,023,167
Investment income	84,581	-	-	-	84,581
Change in value of split-interest agreement	9,110	-	-	-	9,110
Net assets released from restrictions	(1,821,973)	-	-	-	(1,821,973)
Increase in temporarily restricted net assets	294,885	-	-	-	294,885
Permanently Restricted Net Assets					
Contributions	379,840	-	-	-	379,840
Investment loss	22,099	-	-	-	22,099
Valuation loss	593,717	-	-	-	593,717
Change in value of split-interest agreement	20,145	-	-	-	20,145
Increase in permanently restricted net assets	1,015,801	-	-	-	1,015,801
Increase (decrease) in net assets	19,235,020	(730,962)	(448,502)	-	18,055,556
Net Assets (Deficit), Beginning	118,613,288	2,553,458	(1,396,474)	-	119,770,272
Net Assets (Deficit), Ending	\$ 137,848,308	\$ 1,822,496	\$ (1,844,976)	\$ -	\$ 137,825,828

Additional Data

Software ID:

Software Version:

EIN: 24-0795411

Name: EVANGELICAL COMMUNITY HOSPITAL

Form 990, Special Condition Description:

Special Condition Description

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MARTHA BARRICK DIRECTOR	1 00	X						0	0	0
JOHN GRIFFITH DIRECTOR	1 00	X						0	0	0
TIM APPLE DIRECTOR	1 00	X						0	0	0
JULIE BARNA DMD DIRECTOR	1 00	X						0	0	0
BROOKS GRONLUND DIRECTOR	1 00	X						0	0	0
ROBERT GRONLUND DIRECTOR	1 00	X						0	0	0
ROGER HADDON JR DIRECTOR	1 00	X						0	0	0
JOHN MECKLEY ESQ DIRECTOR	1 00	X						0	0	0
FREDRIK PAULSEN JR DIRECTOR	1 00	X						0	0	0
JULIA REDCAY DO DIRECTOR	1 00	X						0	0	0
W GALE REISH MD DIRECTOR	1 00	X						0	0	0
SUSAN FORGETT RHEAM CPA DIRECTOR	1 00	X						0	0	0
JOHN E RICE MD DIRECTOR	1 00	X						0	0	0
NORMAN S RICH DIRECTOR	1 00	X						0	0	0
HENRY A TRUSLOW IV DIRECTOR	1 00	X						0	0	0
AMANDA KESSLER ESQ DIRECTOR	1 00	X						0	0	0
P RONALD ZUG DIRECTOR	1 00	X						0	0	0
MICHAEL R WIMER DIRECTOR	1 00	X						0	0	0
CHRISTOPHER D OLSON DO EX-OFFICIO	1 00	X						0	0	0
SHARON L PEARCE EX-OFFICIO	1 00	X						0	0	0
SARA G KIRKLAND DIRECTOR EMERITUS	1 00	X						0	0	0
JOHN H MATHIAS DIRECTOR EMERITUS	1 00	X						0	0	0
JAMES G APPLE DIRECTOR EMERITUS	1 00	X						0	0	0
MARK VAN BLARGAN ESQ SOLICITOR	1 00	X						0	0	0
MICHAEL N O'KEEFE PRESIDENT/CEO	39 00	X		X				304,949	0	88,435

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JAMES A STOPPER CHIEF FINANCIAL OFFICER	38 00			X				181,345	0	60,054
KENDRA A AUCKER CHIEF OPERATING OFFICER	37 00			X				237,107	0	68,570
J LAWRENCE GINSBURG VP MEDICAL AFFAIRS	40 00				X			397,061	0	114,952
TAMI G RADECKE VP COMMUNITY RELATIONS/CHIEF DEVELOPMENT OFFICER	40 00				X			158,472	0	45,615
PAUL E TARVES VP NURSING	40 00				X			171,664	0	49,591
DALE E MOYER CHIEF INFORMATION OFFICER	40 00				X			150,155	0	43,545
MARK K KRAMMES CHIEF CRNA	48 00					X		232,107	0	67,311
SANDRA S WALKER NURSE ANESTHETIST	49 00					X		234,838	0	67,952
LORI K GOODLING NURSE ANESTHETIST	48 00					X		237,831	0	68,971
RAYMOND J TOMASZEWSKI NURSE ANESTHETIST	48 00					X		228,812	0	66,355
COLLEEN FRITZ NURSE ANESTHETIST	47 00					X		223,627	0	64,852