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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

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

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

C Name of organization
ROBERT PACKER HOSPITAL

Doing Business As

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

City or town, state or country, and ZIP + 4
SAYRE, PA 18840

D Employer identification number
24-0795463

E Telephone number
(570) 887-4625

G Gross receipts $ 821,111,901

F Name and address of principal officer
MARIE DROEGE
GUTHRIE SQUARE
SAYRE, PA 18840

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW GUTHRIE ORG

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

L Year of formation 1885

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
ROBERT PACKER HOSPITAL PROVIDES HEALTHCARE SERVICES TO RESIDENTS OF THE SURROUNDING COMMUNITY ON AN IN-PATIENT AND OUT-PATIENT BASIS APPROXIMATELY 14,818 PATIENTS WERE ADMITTED TO RPH IN FYE 6/30/12

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**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,871
6	Total number of volunteers (estimate if necessary)	**6**	208
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	2,040,853	1,118,089
9	Program service revenue (Part VIII, line 2g)	263,735,137	272,336,280
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	9,769,400	18,847,726
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,751,467	6,557,982
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	280,296,857	298,860,077
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	15,600	14,950
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	81,752,577	88,147,045
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	148,963,309	160,167,845
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	230,731,486	248,329,840
19	Revenue less expenses Subtract line 18 from line 12	49,565,371	50,530,237

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	345,324,611	426,796,580
21	Total liabilities (Part X, line 26)	159,605,290	236,079,304
22	Net assets or fund balances Subtract line 21 from line 20	185,719,321	190,717,276

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 — Date: 2013-05-09

Marie Droege President
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ▶ ☐	Preparer's taxpayer identification number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4	PricewaterhouseCoopers LLP 2001 MARKET ST SUITE 1700 PHILADELPHIA, PA 19103		EIN ▶ Phone no ▶ (267) 330-3000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

ROBERT PACKER HOSPITAL IS AN AFFILIATE OF GUTHRIE HEALTH GUTHRIE HEALTH IS A NONPROFIT HEALTH CARE ORGANIZATION THAT SERVES TO COORDINATE THE ACTIVITY OF GUTHRIE CLINIC (CLINIC) AND THE AFFILIATES WITHIN GUTHRIE HEALTHCARE SYSTEM (GHS, SEE FORM 990, SCHEDULE R, FOR A LISTING OF AFFILIATES OF GHS, INCLUDING ROBERT PACKER HOSPITAL (RPH)) THROUGH THE ACTIVITIES OF THE CLINIC, GHS, RPH, AND ITS OTHER AFFILIATES (COLLECTIVELY REFERRED TO AS "GUTHRIE"), GUTHRIE HEALTH PROVIDES CHARITABLE COMMUNITY-BASED HEALTH CARE SERVICES AND PROGRAMS TO IMPROVE THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES SERVED BY ITS FACILITIES AND PROVIDERS THESE CHARITABLE ACTIVITIES INCLUDE PROVIDING PRIMARY CARE AND SPECIALTY PHYSICIAN SERVICES, AS WELL AS OPERATING A TERTIARY CARE TEACHING HOSPITAL, COMMUNITY HOSPITALS, A RESEARCH INSTITUTE, HOME CARE, HOSPICE CARE AND A LONG-TERM CARE FACILITY THE GUTHRIE RESEARCH INSTITUTE AND GUTHRIE CLINICAL RESEARCH FUNCTIONS OF THE GUTHRIE FOUNDATION FOR MEDICA

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 $ 174,267,429 including grants of $) (Revenue $ 272,079,021)

ROBERT PACKER HOSPITAL PROVIDES HEALTHCARE SERVICES TO RESIDENTS OF THE SURROUNDING COMMUNITY ON AN IN-PATIENT AND OUT-PATIENT BASIS APPROXIMATELY 14,818 PATIENTS WERE ADMITTED TO THE HOSPITAL IN FYE 6/30/2012 PATIENT DAYS TOTALED 68,890

4b (Code) (Expenses $ 10,502,230 including grants of $ 14,950) (Revenue $ 257,259)

ROBERT PACKER HOSPITAL PROVIDES EDUCATIONAL SERVICES TO ITS EMPLOYEES AND MEMBERS OF THE COMMUNITY THE FOLLOWING EDUCATIONAL SERVICES ARE PROVIDED 1) X-RAY TECHNOLOGY, 2) RESPIRATORY THERAPY, 3) MEDICAL RESIDENTS & STUDENTS, 4) LABORATORY TECHNOLOGY, AND 5) ROBERT PACKER SCHOOL OF NURSING (AN AFFILIATE)

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** ▶ $ 184,769,659

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c** Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,871		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b** Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**	No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**	No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**	No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			**9a**	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the aggregate amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**	

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	14		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

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 ▶

MICHELE Y SISTO
ONE GUTHRIE SQUARE
SAYRE, PA 18840
(570) 887-4625

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MARIE DROEGE PRESIDENT & COO	40 0	X		X				362,357	0	16,103
(2) DAVID LR GIBBS CHAIRMAN BOD	1 0	X						0	0	0
(3) JOSEPH R JOYCE VICE CHAIR BOD	1 0	X						0	0	0
(4) DANIEL J BROWN MD MEMBER BOD	1 0	X						0	430,097	44,293
(5) MARVIN L FISHER II MEMBER BOD	1 0	X						0	0	0
(6) DEAN W HOSTERMAN MEMBER BOD	1 0	X						0	0	0
(7) RHONDA G MOSS-TATICH SECRETARY/TREASURER BOD	1 0	X						0	0	0
(8) SURYA NARAYANAN MEMBER BOD	1 0	X						0	303,776	39,140
(9) SEAN NICHOLSON MEMBER BOD	1 0	X						0	0	0
(10) DOUGLAS G RICH MEMBER BOD	1 0	X						0	0	0
(11) DANIEL SPORN MD MEMBER BOD	1 0	X						0	487,844	44,293
(12) GEORGE ELLIS MD EMERGENCY MEDICINE CHAIRMAN	1 0	X						337,649	0	45,457
(13) GAIL ORCHARD MEMBER BOD	1 0	X						0	0	0
(14) JACKSON C FAULKNER MEMBER BOD	1 0	X						0	0	0
(15) MICHAEL NARCAVAGE III MEMBER BOD	1 0	X						0	0	0
(16) MINH DANG CFO	39 0				X			0	224,891	34,957
(17) BONNIE ONOFRE CHIEF NURSING OFFICER	36 0				X			197,438	0	16,558

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) BARBARA PENNYPACKER VP SURGICAL SERVICES	27 0				X			150,082	0	26,757
(19) DAVID CHANNIN MD CHAIR MEDICAL IMAGING	40 0				X			0	486,833	24,043
(20) JOSEPH SAWYER VP IMAGING & ANCILLARY TESTING	26 0				X			149,226	0	19,284
(21) NATHAN SHINAGAWA ADMINISTRATIVE DIRECTOR	40 0				X			86,250	0	7,515
(22) CHARLES MCGURK MD PHYSICIAN	40 0					X		327,532	0	22,724
(23) JAY SHAH PHYSICIAN	40 0					X		303,080	0	24,043
(24) RUSSELL BURKETT PHYSICIAN	40 0					X		274,116	0	24,043
(25) MARC HARRIS PHYSICIAN	40 0					X		281,789	0	16,103
(26) JAMES RAFTIS PHYSICIAN	40 0					X		209,570	0	22,398
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								2,679,089	1,933,441	427,711

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 103

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
WELLIVER MCGUIRE INC 250 NORTH GENESEE ST MONTOUR FALLS, NY 14865	CONTRACTOR SERVICES	1,495,124
KIMBLE INCORPORATED 1004 SULLIVAN STREET ELMIRA, NY 14901	CONTRACTOR SERVICES	1,170,714
EXECUTIVE HEALTH RESOURCE PO BOX 822688 PHILADELPHIA, PA 19182	HEALTH PROF SERVICES	1,093,794
NURSEFINDERS PO BOX 910738 DALLAS, TX 75391	HEALTHCARE SERVICES	1,811,938
PARIS COMPANIES 3850 REACH ROAD WILLIAMSPORT, PA 17701	CONTRACTOR SERVICES	618,536

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 ▶ 20

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 0				
	b	Membership dues	1b 0				
	c	Fundraising events	1c 0				
	d	Related organizations	1d 15,924				
	e	Government grants (contributions)	1e 369,839				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 732,326				
	g	Noncash contributions included in lines 1a-1f $ 3,046					
	h	**Total.** Add lines 1a-1f	▶	1,118,089			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621990	150,881,536	150,881,536		
	b	EDUCATIONAL SERVICES	611600	257,259	257,259		
	c	MEDICARE AND MEDICAID PAYMENTS	621990	121,197,485	121,197,485		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f	▶	272,336,280			
	3	Investment income (including dividends, interest and other similar amounts)	▶	9,224,052			9,224,052
	4	Income from investment of tax-exempt bond proceeds	▶	0			
	5	Royalties	▶	0			
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)	▶				
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	531,864,618 / 10,880				
	b	Less cost or other basis and sales expenses	522,140,126 / 111,698				
	c	Gain or (loss)	9,724,492 / -100,818				
	d	Net gain or (loss)	▶	9,623,674			9,623,674
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a 0				
	b	Less direct expenses	b 0				
	c	Net income or (loss) from fundraising events	▶	0			
	9a	Gross income from gaming activities See Part IV, line 19	a 0				
	b	Less direct expenses	b 0				
	c	Net income or (loss) from gaming activities	▶	0			
	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	▶	0			
		Miscellaneous Revenue	Business Code				
	11a	CHANGE IN DERIVATIVE INSTRUMENT	900099	-4,094,228			-4,094,228
	b	ALL OTHER REVENUE		10,652,210			10,652,210
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d	▶	6,557,982			
	12	**Total revenue.** See Instructions	▶	298,860,077	272,336,280		25,405,708

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	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	14,950	14,950		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,414,631	559,944	854,687	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	68,781,997	57,897,294	10,884,703	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,418,198	2,848,378	569,820	
9	Other employee benefits	9,355,912	7,418,620	1,937,292	
10	Payroll taxes	5,176,307	4,313,406	862,901	
11	Fees for services (non-employees)				
a	Management	7,753,681	260,244	7,493,437	
b	Legal	-52,819		-52,819	
c	Accounting	2,250,259		2,250,259	
d	Lobbying	22,439		22,439	
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	34,342,983	28,493,017	5,849,966	
12	Advertising and promotion	49,714	48,017	1,697	
13	Office expenses	9,695,220	3,512,221	6,182,999	
14	Information technology	6,069,274	945,801	5,123,473	
15	Royalties . .	0			
16	Occupancy	5,401,074	916,942	4,484,132	
17	Travel	342,203	322,379	19,824	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	213,484	205,288	8,196	
20	Interest	3,849,446		3,849,446	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	12,788,594	46,163	12,742,431	
23	Insurance	-277,340	697,084	-974,424	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT	20,225,507	20,225,507		
b	MEDICAL SUPPLY EXPENSE	54,328,929	55,184,051	-855,122	
c	CAFETERIA/CATERING	442,826	309,944	132,882	
d	ACCRETION EXPENSE	185,991		185,991	
e					
f	All other expenses	2,536,380	550,409	1,985,971	
25	**Total functional expenses.** Add lines 1 through 24f	248,329,840	184,769,659	63,560,181	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		6,890,030	2	7,234,827
	3	Pledges and grants receivable, net		522	3	500
	4	Accounts receivable, net		29,914,564	4	29,794,218
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	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		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		5,711,862	8	6,631,796
	9	Prepaid expenses and deferred charges		4,045,545	9	4,323,663
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 233,941,575			
	b	Less accumulated depreciation	10b 151,183,710	78,670,064	10c	82,757,865
	11	Investments—publicly traded securities		217,413,633	11	289,925,361
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		2,678,391	15	6,128,350
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		345,324,611	16	426,796,580
Liabilities	17	Accounts payable and accrued expenses		33,806,818	17	34,234,674
	18	Grants payable		0	18	0
	19	Deferred revenue		603,027	19	66,305
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		125,195,445	25	201,778,325
	26	**Total liabilities.** Add lines 17 through 25		159,605,290	26	236,079,304
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		182,038,126	27	187,088,107
	28	Temporarily restricted net assets		3,631,291	28	3,577,913
	29	Permanently restricted net assets		49,904	29	51,256
		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		185,719,321	33	190,717,276
	34	Total liabilities and net assets/fund balances		345,324,611	34	426,796,580

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	298,860,077
2	Total expenses (must equal Part IX, column (A), line 25)	2	248,329,840
3	Revenue less expenses Subtract line 2 from line 1	3	50,530,237
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	185,719,321
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-45,532,282
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	190,717,276

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14**

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

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
ROBERT PACKER HOSPITAL	24-0795463

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		22,439
j	Total lines 1c through 1i			22,439
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE C, PART II-B, LINE 1J	OTHER LOBBYING ACTIVITIES	MEMBERSHIPS IN AMERICAN HOSPITAL ASSOCIATION (AHA) AND THE HOSPITAL & HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA (HAP)

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

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

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

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
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		877,575		877,575
b Buildings		127,909,592	82,561,460	45,348,132
c Leasehold improvements		4,345,800	2,123,767	2,222,033
d Equipment		94,240,116	63,888,258	30,351,858
e Other		6,568,492	2,610,225	3,958,267
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				82,757,865

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

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
ESTIMATED THIRD PARTY PAYABLE	6,811,840
RPH AUXILARY INVESTMENTS	63,819
ASSET RETIREMENT OBLIGATION	3,887,894
SWAP CONTRACT PAYABLE 2007	337,707
SWAP CONTRACT PAY FMV 2007	25,367,599
DUE TO AFFILIATES	24,391,299
LOAN PAY-GH TAX EXEMPT BONDS	140,918,167
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	201,778,325

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

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

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

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE D PART X LINE 2		THE CORPORATION HAS ANALYZED THE TAX POSITIONS TAKEN BY THE ORGANIZATION AND HAS CONCLUDED THAT AS OF JUNE 30, 2012, THERE ARE NO UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY (OR ASSET) OR DISCLOSURE IN THE FINANCIAL STATEMENTS

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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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			1,365,360	185,577	1,179,783	0 520 %
b Medicaid (from Worksheet 3, column a)			24,245,152	18,019,163	6,225,989	2 730 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0	0	
d **Total** Charity Care and Means-Tested Government Programs			25,610,512	18,204,740	7,405,772	3 250 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			836,241	365,998	470,243	0 210 %
f Health professions education (from Worksheet 5)			9,702,970	3,260,454	6,442,516	2 820 %
g Subsidized health services (from Worksheet 6)			7,759,840	5,909,746	1,850,094	0 810 %
h Research (from Worksheet 7)			0	0	0	
i Cash and in-kind contributions for community benefit (from Worksheet 8)			0	0	0	
j **Total** Other Benefits			18,299,051	9,536,198	8,762,853	3 840 %
k **Total.** Add lines 7d and 7j			43,909,563	27,740,938	16,168,625	7 090 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	20,225,507		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	82,166,140
6	Enter Medicare allowable costs of care relating to payments on line 5	6	79,484,093
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	2,682,047
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	ROBERT PACKER HOSPITAL ONE GUTHRIE SQUARE SAYRE,PA 18840	X	X		X			X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

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

Part V Facility Information *(continued)*

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

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**16**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size 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
SUPPLEMENTAL INFORMATION		PART I, LINE 7A - COST TO CHARGE RATIO WAS DERIVED FROM WORKSHEET #2 PART I, LINE 7B - COST TO CHARGE RATIO WAS DERIVED FROM WORKSHEET #2 PART I, LINE 7E - THE COST METHODOLOGY USED WAS ACTUAL EXPENDITURES PART I, LINE 7F- THE COST WAS TAKEN FROM THE MEDICARE COST REPORT PART I, LINE 7G - A COST ACCOUNTING SYSTEM WAS USED WITHIN THE COST ACCOUNTING SYSTEM, SOME PATIENT SEGMENTS WERE BASED ON A RATIO OF COST TO CHARGE - TOTAL DEPARTMENTAL EXPENSE PLUS ALLOCATED OVERHEAD SPREAD BASED ON CHARGES PART III, LINE 4 - GROSS BAD DEBT EXPENSE FROM THE FINANCIAL STATEMENTS PART III, LINE 8 - ALLOWABLE COST FROM MEDICARE COST REPORT PART III, LINE 9B - ONCE A PATIENT IS APPROVED FOR CHARITY CARE OR AN INSTALLMENT PLAN, THEIR ACCOUNT IS TRANSFERRED TO EITHER THE BUDGET OR CHARITY CARE FINANCIAL CLASS ACCOUNTS IN THESE FINANCIAL CLASSES ARE NOT PLACED WITH COLLECTION PART V, LINE 19D - ALL PATIENTS ARE BILLED BASED ON THE CHARGES ESTABLISHED IN THE HOSPITAL'S CHARGEMASTER DISCOUNTS ARE GIVEN IN ACCORDANCE WITH THE FINANCIAL ASSISTANCE POLICY FOR THOSE WHO ARE UNINSURED A PROMPT PAY DISCOUNT IS GIVEN TO THOSE WHO DO NOT QUALIFY FOR FINANCIAL ASSISTANCE ADDITIONAL DISCOUNTS ARE CONSIDERED ON A CASE BY CASE BASIS DEPENDING ON THE PATIENT'S SITUATION AND THE TOTAL AMOUNT DUE TO THE HOSPITAL PART VI, LINE 2 - THE ORGANIZATION HAS NOT DONE A HEALTH ASSESSMENT OF THE COMMUNITIES IT SERVES THERE ARE PLANS TO COMPLETE AN ASSESSMENT DURING THE ORGANIZATION'S 2013 FISCAL YEAR PART VI, LINE 3 - CHARITY CARE AVAILABILITY AND CONTACT INFORMATION ARE POSTED IN ALL REGISTRATION AREAS AND IN THE HOSPITAL'S BUSINESS OFFICE THE CHARITY CARE POLICY, APPLICATION, AND CONTACT INFORMATION ARE POSTED ON THE HOSPITAL'S WEBSITE SELF PAY PATIENTS ARE REFERRED TO THE HOSPITAL'S FINANCIAL COUNSELOR FROM PHYSICIAN OFFICES, SOCIAL WORKERS, OR SELF REFERRED PART VI, LINE 3 - THE FINANCIAL COUNSELOR AS WELL AS THE BUSINESS OFFICE STAFF FOLLOW UP WITH SELF PAY PATIENTS TO ASSESS THEIR NEED AND ASSIST IN DETERMINING THEIR ELIGIBILITY FOR SECURING A PAYMENT SOURCE (I E COBRA COVERAGE, SPECIAL NEEDS PROGRAM, MEDICAID, OTHER FEDERAL/STATE PROGRAMS, OR CHARITY CARE) STAFF ALSO ASSIST WITH THE APPLICATION PROCESS AS REQUESTED BY SELF PAY PATIENTS PART VI, LINE 3 - THE HOSPITAL'S BILLING STATEMENTS ALSO HAVE INFORMATION REGARDING WHOM TO CONTACT IN CASE A PATIENT NEEDS ASSISTANCE MEETING ITS FINANCIAL OBLIGATIONS PART VI, LINE 4 - ROBERT PACKER HOSPITAL IS A 328-BED TERTIARY CARE TEACHING HOSPITAL LOCATED IN SAYRE, PA THE HOSPITAL OFFERS A FULL COMPLEMENT OF MEDICAL AND SURGICAL SERVICES AS WELL AS SPECIALIZED PROGRAMS THE HOSPITAL'S PRIMARY SERVICE LIES IN BRADFORD COUNTY IN PA AND STEUBEN AND TIOGA COUNTIES IN NEW YORK THE SECONDARY SERVICE AREA INCLUDES CONTIGUOUS COUNTIES IN BOTH PA AND NY PART VI, LINE 4 - THE POPULATION FOR THE TOTAL SERVICE AREA IS APPROXIMATELY 630,000 WITH 50% OF THE HOUSEHOLD INCOMES GENERALLY FALLING IN TWO CATEGORIES $25,000 - $50,000 AND $50,000 - $75,000 PART VI, LINE 6 - SEE THE ATTACHED STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS ATTACHED TO THE FORM 990 AS TO HOW THE HOSPITAL FURTHERS ITS EXEMPT PURPOSE BY PROMOTING THE HEALTH OF THE COMMUMNITY PART VI, LINE 7 - SEE THE ATTACHED STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS ATTACHED TO THE FORM 990

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) Educational Aid - Undergraduate Students	46	14,950			

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

Identifier	Return Reference	Explanation
SCHEDULE I, PART I LINE 2	GRANTS TO INDIVIDUALS IN THE UNITED STATES	Health Profession Scholarships - Seniors must plan to enter an accredited college, university, hospital based nursing, or allied health program with careers in health professions, including hospital administration or a planned career in medical research Guthrie Employee Scholarships - These scholarships are offered to children of full-time employees of Guthrie Seniors must plan to enter an accredited college or university Any career interest is allowed

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MARIE DROEGE	(i)	313,780	48,577	0	0	16,103	378,460	0
	(ii)	0	0	0	0	0	0	0
(2) DANIEL J BROWN MD	(i)	0	0	0	0	0	0	0
	(ii)	425,301	0	4,796	0	44,293	474,390	0
(3) SURYA NARAYANAN	(i)	0	0	0	0	0	0	0
	(ii)	303,776	0	0	0	39,140	342,916	0
(4) DANIEL SPORN MD	(i)	0	0	0	0	0	0	0
	(ii)	487,844	0	0	0	44,293	532,137	0
(5) MINH DANG	(i)	0	0	0	0	0	0	0
	(ii)	196,100	28,791	0	0	34,957	259,848	0
(6) BONNIE ONOFRE	(i)	197,438	0	0	0	16,558	213,996	0
	(ii)	0	0	0	0	0	0	0
(7) GEORGE ELLIS MD	(i)	334,344	3,305	0	0	45,457	383,106	0
	(ii)	0	0	0	0	0	0	0
(8) BARBARA PENNYPACKER	(i)	142,874	7,208	0	0	26,757	176,839	0
	(ii)	0	0	0	0	0	0	0
(9) CHARLES MCGURK MD	(i)	321,548	5,984	0	0	22,724	350,256	0
	(ii)	0	0	0	0	0	0	0
(10) JAY SHAH	(i)	303,080	0	0	0	24,043	327,123	0
	(ii)	0	0	0	0	0	0	0
(11) RUSSELL BURKETT	(i)	274,116	0	0	0	24,043	298,159	0
	(ii)	0	0	0	0	0	0	0
(12) MARC HARRIS	(i)	272,189	9,600	0	0	16,103	297,892	0
	(ii)	0	0	0	0	0	0	0
(13) JAMES RAFTIS	(i)	204,770	4,800	0	0	22,398	231,968	0
	(ii)	0	0	0	0	0	0	0
(14) DAVID CHANNIN MD	(i)	0	0	0	0	0	0	0
	(ii)	447,094	35,063	4,676	0	24,043	510,876	0
(15) JOSEPH SAWYER	(i)	145,466	2,690	1,070	0	19,284	168,510	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
PART I, LINE 1A	QUESTIONS REGARDING COMPENSATION	GROSS-UP PAYMENTS ARE PERIODICALLY PROVIDED TO EMPLOYEES ALL PAYMENTS ARE MADE PURSUANT TO WRITTEN ORGANIZATION POLICIES
PART I, LINE 3	QUESTIONS REGARDING COMPENSATION	EXECUTIVE COMPENSATION IS GENERALLY ESTABLISHED WITHIN A WRITTEN EMPLOYMENT AGREEMENT COMPENSATION IS DETERMINED BASED ON MARKET STUDIES, PRESENTED TO THE EXECUTIVE COMPENSATION COMMITTEE, and SUBSEQUENTLY APPROVED BY THE BOARD OF DIRECTORS

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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	CENTRAL BRADFORD PROGRESS AUTHORITY	23-2735865	152691AA9	09-08-2011	50,000,000	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds defeased	0			
3	Total proceeds of issue	50,017,765			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	1,509,708			
6	Proceeds in refunding escrow	0			
7	Issuance costs from proceeds	804,312			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	5,460,696			
11	Other spent proceeds	20,175,557			
12	Other unspent proceeds	22,067,492			
13	Year of substantial completion				

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

Part III Private Business Use

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

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?								
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?								
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 %						
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 ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider	0							
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						
6	Did the bond issue qualify for an exception to rebate?	X							

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
PART I, ROW A, COLUMN (F)	0	CONSTRUCT FACILITY AND REFUND PRIOR ISSUE (2/14/2002)
PART II, LINE 3	0	THE TOTAL PROCEEDS DO NOT AGREE TO THE ISSUE PRICE IN PART I, COLUMN (E) DUE TO INVESTMENT EARNINGS

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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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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	X	1	3,046	COST
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (_____)				
26	Other ▶ (_____)				
27	Other ▶ (_____)				
28	Other ▶ (_____)				

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

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

Part II

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

Identifier	Return Reference	Explanation
FORM 990 SCHEDULE O DISCLOSURES		Form 990 Part IV Line 12 The organization's financial statements were audited on a consolidated basis with Guthrie Health and Affiliates Form 990 Part VI Line 6 Guthrie Healthcare System is the sole member of Robert Packer Hospital Form 990 Part VI Line 7a As the sole member of Robert Packer Hospital, Guthrie Healthcare System appoints the organization's Board of Directors Form 990 Part VI Line 7b As the sole member of Robert Packer Hospital, Guthrie Healthcare System has approval rights of certain board decisions Form 990 Part VI Line 11a The Form 990 of the organization is presented to the Board of Directors for review and is also reviewed by the organization's finance personnel and an independent accounting firm prior to filing with the IRS Form 990 Part VI Line 12c The Conflict of Interest Disclosure Policy sets forth that all persons, including employees, agents and Board/Committee members, particularly those involved in decision-making for Guthrie Health (GH), act in an appropriate manner and will not participate in any actions that might create a personal or professional conflict of interest and/or not be in the best interest of GH All members of any GH Board/Committee and GH senior management must make full disclosure of any possible conflict of interest through the use of the Conflict of Interest Disclosure Form and refrain from voting or participating in decision-making involving any possible conflict of interest The form is distributed to all Board/Committee members, and employees (when applicable) annually by the GH Administration office GH Board/Committee members or employees must complete the Conflict of Interest Disclosure Form This form should be completed when there is any situation where a possible conflict of interest exists, and/or on an annual basis and/or at the time of appointment or election of new Board/Committee members If the form is not completed within 13 months of the last signing, the GH Board Chairman will be advised Any individual having a conflict of interest or possible conflict of interest on any manner should excuse themselves from the portion of the meeting or meetings where the matter is discussed and not vote or use his or her personal influence on the matter The minutes of the meeting or meetings should reflect the disclosure, the abstention from voting, and any action taken to determine whether a conflict of interest existed Form 990 Part VI Line 15a Executive compensation is generally established within a written employment agreement Compensation is determined based on market studies, presented to the Executive Compensation Committee, and subsequently approved by the Board of Directors Form 990 Part VI Line 15b Executive compensation is generally established within a written employment agreement Compensation is determined based on market studies, presented to the Executive Compensation Committee, and subsequently approved by the Board of Directors Form 990 Part VI Line 18 The organization's Form 1023, 990, and 990-T are available for public inspection upon request Form 990 Part VII Line 19 The organization does not make its governing documents, conflict of interest policy, and financial statements available to the public Form 990 Part VII Section A Average hours per week devoted to related organizations Daniel J Brown, MD Member BOD 40 hours per week Surya Narayanan, MD Member BOD 40 hours per week Daniel Sporn, MD Member BOD 40 hours per week Minh Dang, CFO 1 hour per week Bonnie Onofre, Chief Nursing Officer 6 hours per week Barbara Pennypacker, VP Surgical Services 13 hours per week DAVID CHANNIN, MD CHAIR, MEDICAL IMAGING 40 HOURS PER WEEK JOSEPH SAWYER VP IMAGING & ANCILLARY TESTING 14 HOURS PER WEEK FORM 990, PART X TAX EXEMPT BONDS - GUTHRIE HEALTHCARE SYSTEM HAS BEEN ALLOCATED CERTAIN PROCEEDS OF TAX-EXEMPT BONDS THAT WERE ISSUED TO GUTHRIE HEALTH (EIN 23-3055017) AS SUCH, ALL OF THE TAX-EXEMPT BOND REPORTING FOR GUTHRIE HEALTH AND ITS AFFILIATES HAS BEEN MADE ON GUTHRIE HEALTH'S FORM 990 FORM 990, PART XI, LINE 5 OTHER CHANGES IN NET ASSETS EQUITY TRANSFER TO/FROM AFFILIATES $645,525, PENSION ADJUSTMENT ($25,560,097), GRANTS $41,101, INTEREST DIVIDEND INCOME ON INVESTMENTS $39,379, NET REALIZED GAINS AND LOSSES ON RESTRICTED INVESTMENTS ($12,493), NET UNREALIZED GAINS AND LOSSES ON RESTRICTED INVESTMENTS $23,861, EARNINGS DISTRIBUTION ($58,100), UNREALIZED GAINS AND LOSSES ON INVESTMENTS (9,941,881), CHANGE IN FAIR VALUE DERIVATIVE INSTRUMENT ($10,709,577) =($45,532,282) FORM 990, PART XII, LINE 2B THE ORGANIZATIONS FINANCIAL STATEMENTS WERE AUDITED ON A CONSOLIDATED BASIS WITH GUTHRIE HEALTH AND AFFILIATES

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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

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

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

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

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

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

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) TWIN TIER MANAGEMENT CORP INC PO BOX 310 SAYRE, PA 18840 23-2209439	MANAGEMENT	PA	NA	C CORP	5,781,220	5,453,276	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.)

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

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

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 24-0795463
Name: ROBERT PACKER HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
GUTHRIE HEALTHCARE SYSTEM ONE GUTHRIE SQUARE SAYRE, PA 18840 23-2200910	SUPPORTING	PA	501(C)(3)	11C - III	GH		No
SAYRE HOUSE OF HOPE ONE GUTHRIE SQUARE SAYRE, PA 18840 20-3979472	HEALTH CARE	PA	501(C)(3)	7	GHS	Yes	
DONALD GUTHRIE FOUNDATION 200 SOUTH WILBUR AVENUE SAYRE, PA 18840 24-6022957	MED RESEARCH	PA	501(C)(3)	4	GHS	Yes	
ROBERT PACKER HOSPITAL SCHOOL OF NURSING 200 SOUTH WILBUR AVENUE SAYRE, PA 18840 23-6408773	EDUCATION	PA	501(C)(3)	2	GHS	Yes	
TROY COMMUNITY HOSPITAL INC 101 Elmira Street TROY, PA 16947 24-0800337	HEALTH CARE	PA	501(C)(3)	3	GHS	Yes	
TIOGA HEALTHCARE FACILITY ONE GUTHRIE SQUARE SAYRE, PA 18840 15-0532257	HEALTH CARE	PA	501(C)(3)	3	GHS	Yes	
SAYRE HOUSE INC 1001 NORTH ELMER AVENUE SAYRE, PA 18840 23-1643404	NURSING FAC	PA	501(C)(3)	9	GHS	Yes	
GUTHRIE HOME CARE 421 Tomahawk Road TOWANDA, PA 18848 23-2394345	HOME HEALTH	PA	501(C)(3)	9	GHS	Yes	
GUTHRIE CORNING DEVELOPMENT COMPANY INC 176 DENISON PARKWAY E CORNING, NY 14830 16-1594628	SUPPORTING	NY	501(C)(3)	11B TYPE II	GHS	Yes	
GUTHRIE SAME DAY SURGERY CENTER INC ONE GUTHRIE SQUARE SAYRE, PA 18840 02-0551081	AMBULATORY	NY	501(C)(3)	9	GHS	Yes	
GUTHRIE RISK RETENTION GROUP 151 MEETING STREET CHARLESTON, SC 29401 20-1090801	SUPPORTING	SC	501(C)(3)	11A TYPE 1	GH	Yes	
TIOGA NURSING FACILITY ONE GUTHRIE SQUARE SAYRE, PA 18840 22-2979677	NURSING FAC	NY	501(C)(3)	3	GHS	Yes	
GUTHRIE CLINIC LTD ONE GUTHRIE SQUARE SAYRE, PA 18840 25-0815795	HEALTH CARE	PA	501(C)(3)	3	GH	Yes	
DARWAY NURSING HOME INC ONE GUTHRIE SQUARE SAYRE, PA 18840 23-1733967	NURSING FAC	PA	501(C)(3)	9	GHS	Yes	
CORNING HOSPITAL 176 DENISON PARKWAY E CORNING, NY 14830 16-0393490	HEALTH CARE	NY	501(C)(3)	3	GHS	Yes	
GUTHRIE HEALTH ONE GUTHRIE SQUARE SAYRE, PA 18840 23-3055017	SUPPORTING	PA	501(C)(3)	11B TYPE II	NA		No

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	GUTHRIE CLINIC	A	844,319	CONTRACT AGREE
(2)	GUTHRIE CLINIC	J	509,425	CONTRACT AGREE
(3)	GUTHRIE CLINIC	K	1,371,613	CONTRACT AGREE
(4)	GUTHRIE CLINIC	P	926,903	DIRECT COST EXP
(5)	GUTHRIE CLINIC	O	70,757	DIRECT COST EXP
(6)	GUTHRIE CLINIC	L	18,822,610	CONTRACT AGREE
(7)	CORNING HOSPITAL	K	1,094,291	CONTRACT AGREE
(8)	CORNING HOSPITAL	F	83,100	ASSET VALUE
(9)	GUTHRIE HOME CARE	K	147,829	CONTRACT AGREE
(10)	TROY COMMUNITY HOSPITAL	K	655,781	CONTRACT AGREE
(11)	TROY COMMUNITY HOSPITAL	P	336,519	DIRECT COST EXP
(12)	ROBERT PACKER SCHOOL OF NURSING	A	311	CONTRACT AGREE
(13)	ROBERT PACKER SCHOOL OF NURSING	P	128,749	DIRECT COST EXP
(14)	ROBERT PACKER SCHOOL OF NURSING	J	202,349	CONTRACT AGREE
(15)	DONALD GUTHRIE FDN FOR EDUCATION & RESEARCH	P	154,841	DIRECT COST EXP
(16)	DONALD GUTHRIE FDN FOR EDUCATION & RESEARCH	B	50,000	DIRECT COST EXP
(17)	DONALD GUTHRIE FDN FOR EDUCATION & RESEARCH	A	777	CONTRACT AGREE
(18)	TROY COMMUNITY HOSPITAL	P	336,519	DIRECT COST EXP
(19)	TWIN TIER MANAGEMENT CORP INC	L	52,217	CONTRACT AGREE
(20)	TWIN TIER MANAGEMENT CORP INC	A	78	CONTRACT AGREE

Guthrie Health and Affiliates

Consolidated Financial Statements
June 30, 2012 and 2011

Guthrie Health and Affiliates
Index
June 30, 2012 and 2011

pwc

Report of Independent Auditors

To the Board of Directors of
Guthrie Health and Affiliates

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and changes in net assets and of cash flows present fairly, in all material respects, the financial position of Guthrie Health and Affiliates (the "Corporation") at June 30, 2012 and 2011, and the results of their operations and changes in net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America 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 of these statements 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

PricewaterhouseCoopers LLP

September 24, 2012

Guthrie Health and Affiliates
Consolidated Balance Sheets
June 30, 2012 and 2011

(in thousands of dollars)	2012	2011
Assets		
Current assets		
Cash and cash equivalents	$ 20,565	$ 21,669
Patient accounts receivable, net of estimated uncollectibles of $70,553 and $59,273	59,920	62,349
Inventories	10,599	9,132
Prepaid expenses and other assets	11,793	10,810
Total assets from discontinued operations	-	1,299
Total current assets	102,877	105,259
Assets limited as to use		
Trustee held funds under indenture agreement	57,343	14,799
Board-designated funds	112,050	95,528
Other	119,111	129,946
	288,504	240,273
Investments	453,565	388,146
Property and equipment, net	181,030	165,090
Other assets, net	14,129	2,328
Total assets	$ 1,040,105	$ 901,096
Liabilities and Net Assets		
Current liabilities		
Current maturities of long-term obligations	$ 7,530	$ 6,425
Accounts payable and accrued expenses	32,412	33,330
Accrued payroll, taxes, and vacation	34,175	35,575
Estimated third-party payable, net	18,757	19,134
Other	1,195	1,947
Total liabilities from discontinued operations	-	15
Total current liabilities	94,069	96,426
Long-term obligations, net of current maturities, bond discount and bond premium	236,015	126,207
Accrued pension cost	43,063	13,613
Asset retirement obligation	14,965	14,641
Insurance liabilities	85,146	85,724
Other	35,382	20,590
Total liabilities	508,640	357,201
Net assets		
Unrestricted	480,603	490,301
Temporarily restricted	48,054	50,789
Permanently restricted	2,808	2,805
Total net assets	531,465	543,895
Total liabilities and net assets	$ 1,040,105	$ 901,096

The accompanying notes are an integral part of these consolidated financial statements

Guthrie Health and Affiliates
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2012 and 2011

(in thousands of dollars)	2012	2011
Unrestricted revenues		
Net patient service revenue	$ 585,669	$ 564,563
Other operating revenue	14,883	11,209
Gain on early retirement of debt (Note 5)	-	3,271
Total revenues	600,552	579,043
Expenses		
Salaries and wages	255,694	240,271
Employee benefits	57,082	54,613
Purchased services	30,044	27,946
Supplies	105,965	102,884
Other expenses	43,097	54,561
Depreciation and amortization	37,429	29,680
Interest	6,092	3,372
Provision for bad debts	36,700	31,842
Loss on extinguishment of debt (Note 5)	1,242	-
Total expenses	573,345	545,169
Income from operations	27,207	33,874
Other income, net (Note 9)	2,463	55,684
Excess of revenues over expenses	$ 29,670	$ 89,558

The accompanying notes are an integral part of these consolidated financial statements

Guthrie Health and Affiliates
Consolidated Statements of Operations and Changes in Net Assets - Continued
Years Ended June 30, 2012 and 2011

(in thousands of dollars)	2012	2011
Unrestricted net assets		
Excess of revenues over expenses	$ 29,670	$ 89,558
(Increase) decrease in pension obligation	(40,886)	13,291
Net assets released from restrictions used for purchase of property and equipment	1,129	1,278
Other	(2)	(195)
(Decrease) increase in unrestricted net assets before discontinued operations	(10,090)	103,932
Gain from operations of discontinued components	391	277
(Decrease) increase in unrestricted net assets	(9,699)	104,209
Temporarily restricted net assets		
Contributions and grant income	1,378	948
Interest and dividends, net of investment fees	(408)	(213)
Net realized and unrealized (losses) gains on investments	(1,602)	8,404
Net assets released from restrictions	(2,103)	(2,085)
(Decrease) increase in temporarily restricted net assets	(2,736)	7,054
Permanently restricted net assets		
Contributions	3	2
Increase in permanently restricted net assets	3	2
(Decrease) increase in net assets	(12,431)	111,265
Net assets		
Beginning of year	543,895	432,628
End of year	$ 531,463	$ 543,893

The accompanying notes are an integral part of these consolidated financial statements

Guthrie Health and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2012 and 2011

(in thousands of dollars)	2012	2011
Cash flows from operating activities		
Change in net assets	$ (12,430)	$ 111,267
Change in net assets due to discontinued operations	(391)	(277)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	37,429	29,680
Net realized and unrealized losses (gains) on investments	3,140	(50,024)
Loss on sale of property and equipment	396	654
Accretion expense	735	705
Provision for bad debts	36,700	31,842
Pension obligation adjustment	40,886	(13,291)
Restricted contributions received	(1,378)	(614)
Change in fair value of derivative instrument	12,699	(4,450)
Loss (gain) on retirement of debt	1,242	(3,271)
Changes in operating assets and liabilities		
Patient accounts receivable	(34,272)	(36,985)
Inventories	(1,480)	(147)
Prepaid expenses and other assets	(983)	1,058
Accounts payable and accrued expenses	(14,416)	6,903
Estimated third-party payables, net	(375)	1,618
Other	(11,654)	2,502
Net cash provided by operating activities before discontinued operations	55,848	77,170
Net cash provided by discontinued operations	422	572
Net cash provided by operating activities	56,270	77,742
Cash flows from investing activities		
Cash received from sale of investments	1,442,540	821,958
Purchase of investments	(1,559,330)	(839,824)
Purchases of property and equipment	(53,121)	(37,132)
Proceeds from the sale of property and equipment	1,454	373
Net cash used for investing activities of discontinued operations	(8)	(338)
Net cash used in investing activities	(168,465)	(54,963)
Cash flows from financing activities		
Proceeds from long-term obligations	153,722	-
Payments of long-term obligations	(44,009)	(18,312)
Restricted contributions received	1,378	614
Net cash provided by (used in) financing activities	111,091	(17,698)
Net (decrease) increase in cash and cash equivalents	(1,104)	5,081
Cash and cash equivalents		
Beginning of year	21,669	16,589
End of year	$ 20,565	$ 21,669
Supplemental information of non-cash transactions		
Purchase of property and equipment in accounts payable and accrued expenses	$ 1,397	$ 737

The accompanying notes are an integral part of these consolidated financial statements

(in thousands of dollars)

1. Significant Accounting Policies

Organization and Principles of Consolidation

In 2001, Guthrie Clinic Ltd (the "Clinic") and Guthrie Healthcare System (GHS) entered into an alignment agreement that brought the two health care institutions together as sole members of a nonprofit organization called Guthrie Health Guthrie Health (the "Corporation") has direct oversight of both the Clinic and GHS and is responsible for the overall strategic, financial and operational direction of the organization

The Corporation principally serves residents in Northern Central Pennsylvania and Southern Central New York and provides a broad range of the following health care services inpatient, outpatient, emergency care, home care services, primary care services and specialty care services The Corporation also conducts medical research and educational programs

GHS is the sole corporate member of Donald Guthrie Foundation for Education and Research, Inc , (GF), Robert Packer School of Nursing, Robert Packer Hospital (RPH), Troy Community Hospital, Inc (TCH), Corning Hospital (CH), Guthrie Home Care, Guthrie Same Day Surgery Center, Inc , Sayre House of Hope, and Twin Tier Management Corporation, Inc

Guthrie Health formed Guthrie Risk Retention Group (GRRG), as a wholly owned subsidiary, to provide primary professional and general liability insurance coverage for certain affiliates of Guthrie Health effective July 1, 2004

All significant intercompany transactions within the Corporation have been eliminated

In May 2012, the Board of the Corporation approved a plan to consolidate the Clinic and GHS into Guthrie Health These plans are pending, subject to regulatory approval

Guthrie Health has performed an evaluation of subsequent events through September 24, 2012 which is the date the consolidated financial statements were issued

Use of Estimates

The preparation of consolidated 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 Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates Significant estimates made by the Corporation include, but are not limited to, accruals, estimated fair value of investment securities and swap agreements, allowance for uncollectible accounts and third-party payor contractual adjustments, estimated third-party settlements, the insurance reserves for employee health insurance, workers' compensation and professional and general liability and assumptions used in determining pension liabilities and asset retirement obligations

Cash and Cash Equivalents

The Corporation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents, excluding amounts held as assets limited as to use and investments The Corporation maintains funds on deposit in excess of amounts insured by the Federal Depository Insurance Corporation Limits

(in thousands of dollars)

Patient Accounts Receivable
The Corporation grants credit without collateral to its patients, health maintenance organizations, commercial payors, and government programs The mix of receivables, before allowances for doubtful accounts, at June 30 is as follows

	2012	2011
Medicare	25 %	28 %
Pennsylvania Medicaid/New York Medicaid	9 %	9 %
Other third-party payors	33 %	32 %
Self-pay	33 %	31 %
	100 %	100 %

Inventory Valuation
Inventories are stated at the lower of cost (first-in, first-out) or market

Assets Limited as to Use
Assets limited as to use primarily include funds held in trust by others, assets held by trustees under indenture agreements, self-insured trust funds for insurance, and designated 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

Investments and Investment Income
Investment securities (debt and equity) are recorded at fair value based on quoted market prices If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments The cost of sold investments is based upon the specific identification method Realized and unrealized gains and losses, interest income, and dividends from unrestricted investments are recorded as other income in the consolidated statements of operations and changes in net assets The Corporation records investment returns in accordance with accounting guidance related to the fair value option and has appropriately included all investment returns in excess of revenues over expenses Unrealized and realized gains and losses, interest income and dividends on investments from restricted assets are included as additions to either unrestricted or restricted net assets in accordance with donor intent

The Corporation has investments in U S and international government and agency obligations, corporate obligations, commercial paper, mutual funds, equity securities and real assets Investment securities are exposed to various risks, such as interest rate, market and credit 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 at least possible that changes in risks in the near term would materially affect the net assets of the Corporation

(in thousands of dollars)

Property and Equipment
Property and equipment are recorded at cost less the amount for accumulated depreciation Expenditures for maintenance, repairs and renewals of minor items are charged to operations as incurred Major renewals and improvements are capitalized Depreciation is provided on the straight-line method over the estimated useful lives of the related assets, which ranges from three to forty years Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the consolidated financial statements Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets

Gifts of land, buildings, or equipment are reported as unrestricted net assets, and are excluded from the excess of revenues over expenses 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 net assets

In accordance with authoritative guidance, the Corporation assesses its assets for impairment whenever events or changes in circumstances indicate the carrying amount of a respective asset may exceed their fair value There were no impairment losses during the years ended June 30, 2012 and 2011

Deferred Financing Costs and Bond Discount/Premium Amortization
Deferred financing costs (included in other assets) and bond discount/premium relate to costs incurred in connection with obtaining long-term obligations, which are being amortized over the term of the related obligations, using the straight-line method, which approximates the effective interest method Amortization expense related to deferred financing costs was $135 and $98 for the years ended June 30, 2012 and 2011, respectively Premium amortization was $5 and $26 for the years ended June 30, 2012 and 2011 In 2011, the Corporation extinguished a portion of its outstanding bonds payable and accordingly, fully amortized $254 of related deferred financing costs In 2012, the Corporation refinanced the 2002A outstanding bonds payable and accordingly, fully amortized $651 of related deferred financing costs and $302 of premium amortization

Other Liabilities
The Corporation, under certain insurance programs, maintains reserves for expected losses primarily relating to professional and general liability, workers' compensation and employees' medical insurance A provision for claims under self-insured programs is recorded based upon the Corporation's estimate, after consultation with actuaries, of the aggregate liability for claims incurred

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

Temporarily and permanently restricted net assets are comprised primarily of trust and endowment funds, and the related net realized and unrealized gains and losses on those funds as established by donor restricted gifts

(in thousands of dollars)

Most of the trust assets are with one trustee The principal of the trusts is primarily restricted to capital expenditures Expenditures must be approved by the trustee and cannot exceed one-tenth of the original principal balance in any one year Income (interest and dividends) from these trusts is unrestricted

Donor-Restricted Gifts
Unconditional promises to give cash and other assets to the Corporation 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 statements of operations and changes in net assets or as released for the purchase of property and equipment based upon the donor restriction Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted net assets in the accompanying consolidated financial statements

Excess of Revenues Over Expenses
The consolidated statements of operations and changes in net assets include excess of revenues over expenses Changes in unrestricted net assets which are excluded from excess of revenues over expenses include adjustments to pension obligations and 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)

Net Patient Service Revenue
Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Third-party payors retain the rights to review and propose adjustments to amounts paid to the Corporation Such adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

The Corporation has agreements with third-party payors that provide for payments at amounts different from its established rates A summary of the payment arrangements with major third-party payors is provided below

Medicare and Medicaid
A significant percentage of the Corporation's net patient service revenue is generated by government reimbursement programs Inpatient acute care, professional and outpatient ancillary services rendered by Clinic, RPH and CH to Medicare and Medicaid program beneficiaries, and TCH services rendered to Medicaid beneficiaries, are paid at prospectively determined rates These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors

TCH is a critical access hospital and is reimbursed at cost plus 1% for all services rendered to Medicare beneficiaries

(in thousands of dollars)

RPH, TCH and CH's Medicare cost reports have been audited and finalized by the Medicare fiscal intermediary through June 30, 2007, June 30, 2009 and December 31, 2006, respectively

Other Payors
The basis for payment by commercial insurance carriers and health maintenance organizations for inpatient, outpatient, and professional services include per diem rates, cost reimbursement, prospectively determined rates, fee schedules, and discounts from established charges

Charity Care and Community Service
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 Because the Corporation does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue Cost for services and supplies furnished under the Corporation's charity care policy amounted to approximately $2,460 and $2,560 in 2012 and 2011, respectively, when measured at the Corporation's estimated cost The Corporation estimates the cost of charity care based on the ratio of cost to charge method and estimated actual costs

As part of its charitable mission, the Corporation provides care through its emergency departments It ensures that an emergency admission or treatment is not delayed or denied pending determination of coverage or a requirement for prepayment or deposit As a result of this policy, the Corporation had approximately $3,160 and $3,100 in bad debts in 2012 and 2011, respectively

In addition to the charity care program and the emergency department bad debts discussed above, the Corporation supports numerous other charitable and community activities Examples of these activities include medical education for physicians and nurses, the trauma program, and medical research The estimated cost, net of reimbursement, for these programs was $13,200 and $10,000 in 2012 and 2011, respectively

Revenues generated from patients who participate in the Medicaid program are subject to substantial discounts that result in reimbursement for services rendered below the cost of providing such services In order for patients to meet the guidelines for the Medicaid program, various income-based criteria must be met that validate the patient's inability to pay for services and ineligibility under other programs The estimated loss incurred from providing services to Medicaid patients amounted to $18,800 and $18,500 in 2012 and 2011, respectively

The total cost in supporting these charitable mission programs was approximately $37,300 and $33,600 in 2012 and 2011, respectively

Income Taxes
The consolidated financial statements do not give consideration to income taxes, as each of the entities are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code, except for Twin Tier Management Corporation, Inc , an affiliate, which is a taxable entity Income taxes paid in the years ended June 30, 2012 and 2011 were $15 and $20, respectively In 2012 and 2011, other operating expense included an income tax credit of $359 and expense of $57, respectively The Corporation is subject to federal taxes on unrelated business income under Section 511 of the Internal Revenue Code Unrelated business income tax totaled a net refund of $75 and $10 for the years ending June 30, 2012 and 2011, respectively

(in thousands of dollars)

Accounting principles generally accepted in the United States of America require the Corporation to evaluate tax positions taken by the Corporation and recognize a tax liability (or asset) if the Corporation has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service The Corporation has concluded that as of June 30, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements

Asset Retirement Obligations
The Corporation accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation Over time, the liability is accreted to its estimated settlement value Upon settlement of the liability, the Corporation will recognize a gain or loss for any difference between the settlement amount and liability recorded Accretion expense for the years ended June 30, 2012 and 2011 is $735 and $696 respectively, disposals totaled $410 and $258, respectively

Reclassifications
Certain reclassifications have been made to the 2011 financial statements in order to conform with the current year presentation

Adoption of Accounting Pronouncements
In August 2010, the FASB issued guidance that requires health care entities to use cost as the measurement basis for charity care disclosures and defines cost as the direct and indirect costs of providing charity care The amended disclosure requirements are effective for fiscal years beginning after December 15, 2010 and must be applied retrospectively The Charity Care disclosure reflects the amended disclosure requirements Since the new guidance amends disclosure requirements only, its adoption did not impact the Corporation's consolidated balance sheet, statement of operations, or cash flow statement The Corporation disclosed charity care at cost in prior years and therefore no adjustment was necessary

In August 2010, the FASB amended the Accounting Standards Codification ("ASC") to extend the guidance on netting receivables and payables in ASC 210-20, "Balance Sheet Offsetting, to health care entities, prohibiting offsetting of conditional or unconditional liabilities with anticipated insurance recoveries from third parties The amended guidance is effective for fiscal years beginning after December 15, 2010 The Corporation adopted the amended guidance on July 1, 2011 The Corporation did not recognize a cumulative effect adjustment to beginning net assets as of July 1, 2010 because the increase to liabilities as a result of adopting the amended guidance was equal to the increase in insurance recoveries receivable Because the Corporation elected not to retrospectively adopt the amended guidance, there was no impact on the Corporation's prior year consolidated balance sheet, statement of operations, or cash flow statement As of June 30, 2012, the impact of adopting the changes to ASC 2010-20 was an increase in other assets and insurance liabilities of $8,454

In July 2011, the FASB issued ASU 2011-07, Health Care Entities (Topic 954) Presentation and Disclosure of Patient Services Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities ASU 2011-07 includes amendments to FASB's ASC Topic 954, Health Care Entities The objective of the update is to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful accounts The amendment requires health care entities that recognize significant amounts of patient service revenue at the time services are rendered, even though they

(in thousands of dollars)

do not immediately assess the patients' ability to pay, to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their consolidated financial statements The standard is effective for fiscal years beginning after December 15, 2011 and is not expected to have a significant impact on the consolidated financial statements The Corporation adopted the guidance effective July 1, 2012, therefore the change is not reflected in these consolidated financial statements

2. Assets Limited as to Use and Investments

The composition of assets limited as to use and investments, at fair value, are as follows at June 30

	2012	2011
Held by trustee under indenture agreement		
Cash and cash equivalents	$ 57,343	$ 1,299
Commercial paper	-	13,500
	57,343	14,799
Funds held in trust by others	41,675	44,272
Pooled and other investments		
Cash and cash equivalents	33,624	29,094
Marketable equity securities	135,044	158,765
Real asset mutual funds	27,074	-
Corporate obligations	93,186	146,901
U S government and agency obligations	163,275	161,288
International government and agency obligations	37,057	44,443
Equity mutual funds	73,714	28,433
Fixed Income mutual funds	79,608	-
Other	470	424
	643,052	569,348
	$ 742,070	$ 628,419

The Corporation's return on investments for the years ended June 30 is as follows

	2012	2011
Interest and dividends, net of investment fees	$ 19,630	$ 15,513
Realized gains on investments, net	26,115	14,504
Change in net unrealized (losses) gains on investments	(29,255)	35,520
Total investment gain	$ 16,490	$ 65,537

(in thousands of dollars)

3. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30

	2012	2011
Purchase of property and equipment	$ 40,673	$ 42,824
Healthcare services	4,194	4,383
Education and research	3,187	3,582
	$ 48,054	$ 50,789

Permanently restricted net assets are restricted as follows at June 30

	2012	2011
Investments to be held in perpetuity, the income from which is expendable to purchase capital equipment and support education	$ 2,808	$ 2,805

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors is as follows for the years ended June 30

	2012	2011
Purchase of property and equipment	$ 1,129	$ 1,278
Health care services	701	518
Education and research	273	289
	$ 2,103	$ 2,085

4. Property and Equipment

Property and equipment, recorded at cost, consists of the following at June 30

	2012	2011
Land and land improvements	$ 14,601	$ 10,330
Buildings and building improvements	255,983	247,485
Permanent fixtures and equipment	228,310	217,969
	498,894	475,784
Less Accumulated depreciation	(331,579)	(316,008)
	167,315	159,776
Construction in progress	13,715	5,314
	$ 181,030	$ 165,090

(in thousands of dollars)

Depreciation expense in 2012 and 2011 amounted to $37,285 and $29,561, respectively In January 2012, the Corporation approved the construction of new replacement hospitals for CH in Corning, NY and for TCH in Troy, PA Accordingly, depreciation expense in 2012 included an adjustment of $5,100 to reflect accelerated depreciation on CH's and TCH's property and equipment assets to be replaced by new facilities in 2013 and 2014

The estimated cost to complete construction in progress projects at June 30, 2012 approximated $172,026

5. Long-Term Obligations

Long-term obligations consist of the following at June 30

Bonds Payable	**2012**	**2011**
Guthrie Health		
Health Care Facilities Authority of Sayre, Health Care Revenue Bonds, Series 2002A, due in varying annual principal installments through 2031, with interest payable semi-annual at variable rates (ranging from 5 5% to 6 25%) Collateralized by buildings, equipment and accounts receivable (a) (d) (g) (h) (i)	$ -	$ 39,767
Health Care Facilities Authority of Sayre, Health Care Revenue Bonds, Series 2007, due in varying annual principal installments through 2031, with interest payable quarterly at variable rates (ranging from 0 82% to 1 18%) Collateralized by buildings, equipment and accounts receivable (a) (b) (d) (g) (h) (i)	89,860	92,865
Central Bradford Progress Authority, Health Care Revenue Bonds, Series 2011, due in varying annual principal installments through 2041, with interest payable semi-annually at various rates (ranging from 3 0% to 5 50%) Collateralized by buildings, equipment and accounts receivable (c) (d) (g) (h) (i)	102,370	-
Unamortized bond premium, net	1,315	-
	103,685	-
RPH		
Central Bradford Progress Authority, Health Care Revenue Bonds, Series 2011, due in varying annual principal installments through 2041, with interest payable semi-annually at a fixed rate of 7% Bonds are an unsecured general obligation of' RPH (e) (f) (i)	50,000	-
	243,545	132,632
Less Current portion of long-term obligations	(7,530)	(6,425)
	$ 236,015	$ 126,207

(in thousands of dollars)

a Guthrie Health previously borrowed $240,000 under a Loan Agreement from the sale of tax exempt Revenue Bonds (Guthrie Health Issue), Series A and B of 2002 (the "2002 Bonds") issued by Healthcare Facilities Authority of Sayre (the "Authority") pursuant to a Master Trust Indenture

In April 2007, the Authority issued $187,455 of tax-exempt Revenue Bonds (Guthrie Health Issue) Series 2007 (the "2007 Bonds") for the purpose of advance refunding a portion of the 2002A Series Bonds and all of the Series 2002B Bonds and to pay the costs of issuing the 2007 Bonds Interest on the 2007 Bonds is adjusted quarterly equal to 67% of the three-month LIBOR rate for such period, plus a per annum spread with a maximum rate of 15% per annum The spread is between 65 and 83 basis points dependent upon the term of the bonds

In December 2010, the Board authorized the Corporation to repurchase a portion of the 2007 Bonds The Corporation purchased $12,000 of the outstanding bonds at prices below par As a result, the Corporation recorded a gain of $3,434

b Guthrie Health entered into an interest rate swap agreement for the purpose of managing its interest rate risk associated with the 2007 Bonds Under the interest rate swap agreement, the amount exchanged is based on an amortizing notional amount whereby Guthrie Health pays the counterparty interest at a fixed rate of 4 282% and the counterparty pays Guthrie Health at a variable rate equal to the rate of interest on the 2007 Bonds The swap contract was not amended as a result of the retirement of a portion of the 2007 bonds The impact of the swap contract is recorded in other income, net, in the consolidated statement of operations and changes in net assets, which was unfavorably impacted by $19,346 and $1,299 for the years ended June 30, 2012 and 2011, respectively

c In September, 2011, the Central Bradford Progress Authority (the "Bradford Authority") issued $102,370 of tax-exempt Revenue Bonds (Guthrie Health Issue), Series 2011 (the "2011 Bonds") The proceeds of the 2011 Bonds, together with other trustee-held funds, refunded the remaining Series 2002A Bonds, refinanced the 2007 Bonds that were repurchased in December 2010, provided financing for various equipment and facility projects including interest during construction, and funded the costs of issuing the bonds The 2007 Bonds repurchased in December 2010 were extinguished effective with this refinancing

d The proceeds of the remaining 2002A Bonds, the 2007 Bonds, and the 2011 Bonds are loaned to Guthrie Health under loan agreements Guthrie Health has loaned such bond proceeds to the Clinic, GHS, RPH, TCH, and CH to finance, reimburse, refinance or refund costs of capital projects of such affiliates Affiliate loan documents, relating to the 2002A and 2007 Bonds, entered into by GHS and RPH are collateralized by their respective Mortgages on the Sayre, Pennsylvania campus property of GHS and RPH In addition, the Affiliate loan documents entered into by RPH and the Clinic are collateralized by a security interest in their respective Sayre, Pennsylvania campus accounts receivable

(in thousands of dollars)

e In September, 2011, the Bradford Authority issued $50,000 of tax-exempt Revenue Bonds (Robert Packer Hospital Issue), Series 2011 (the "RPH Bonds") The proceeds of the RPH Bonds, together with other trustee-held funds, refunded the remaining Series 2002A Bonds, provided financing for various equipment and facility projects including interest during construction, and funded the costs of issuing the bonds The RPH Bonds were sold privately to Royal Bank of Canada Capital Market, LLC (RBC)

f Guthrie Health entered into a Total Return Swap (TRS) agreement for the purpose of reducing the overall cost of capital Under the TRS agreement, the amount exchanged is based on an amortizing notional amount whereby the counterparty pays Guthrie Health interest at a fixed rate of 7% and Guthrie Health pays the counterparty a variable rate equal to the effective rate of SIFMA index plus 85 basis points on an amount equal to the principal amount of the RPH Bonds outstanding Other income, net in the consolidated statements of operations and changes in net assets includes a favorable impact of $3,300 for the year ended June 30, 2012 related to the swap agreement

Guthrie Health entered into an Interest Cap agreement (CAP) for the purpose of managing the TRS variable rate Under the terms of the agreement, the floating rate under the TRS has a CAP rate of 5% The floating rate option of USD-SIMFA Municipal Swap Index will be used to determine the floating amount Other income, net in the consolidated statements of operations and changes in net assets includes a favorable impact of $1 for the year ended June 30, 2012 related to this agreement

g The 2002A, 2007, and 2011 Bonds, and TRS are collateralized by a pledge of the Gross Revenues of Guthrie Health "Gross Revenues" include amounts payable by the Affiliates under the Affiliate loan documents, amounts received from the Affiliates by Guthrie Health as a result of the exercise of its reserved powers under the Alignment Agreement, any future unrestricted endowment of Guthrie Health and the unrestricted proceeds of any fund raising by Guthrie Health Guthrie Health is not an operating company, and at present has limited sources of revenue to repay its obligations under the Loan Agreements for the Series 2002A, 2007, and 2011 Master Obligations other than from principal and interest payments made by Affiliates Under the Affiliate loan documents, Guthrie Health may foreclose following certain defaults Additionally, Guthrie Health has the power to cause Affiliates to transfer funds annually for various purposes, including the payment of debt service

h The most restrictive covenants relate to the maintenance of certain financial ratios and disposition of real property Guthrie Health was in compliance with these debt covenants at June 30, 2012 and 2011

i With respect to the 2002A Bonds that were advanced refunded as part of the 2007 Bonds, 2011 Bonds, and the RPH Bonds, Guthrie Health is considered legally released as the primary obligor Total expenses include a loss on extinguishment of debt of $1,242 related to this advanced refunding

(in thousands of dollars)

A summary of the aggregate principal requirements on these long-term obligations as of June 30, 2012 are as follows

2013	$ 7,530
2014	6,780
2015	7,055
2016	7,315
2017	7,620
Thereafter	205,930
	242,230
Bond premium, net of accumulated amortization	1,315
	$ 243,545

Cash paid for interest was $8,027 and $3,361 in 2012 and 2011, respectively

6. Line of Credit

GHS has an available revolving line of credit which totals $8,500 bearing interest at LIBOR plus 250 basis points There was no outstanding balance as of June 30, 2012 or 2011

7. Functional Expenses

The Corporation provides health care services, medical research and educational programs Expenses related to providing these services are as follows for the years ended June 30

	2012	2011
Health care services	$ 404,730	$ 382,557
General and administrative	155,717	150,926
Education	11,672	10,572
Research	1,226	1,114
	$ 573,345	$ 545,169

8. Pension Plans

The Corporation provides various retirement plans The Clinic provides a defined contribution plan CH provides a defined benefit plan for bargaining unit members The remainder of the Corporation's employees are offered a defined benefit plan or defined contribution plan depending on their date of hire In addition, certain GHS employees are eligible to contribute to a GHS tax sheltered annuity plan

Defined Benefit Plans
The Corporation has two defined benefit plans The CH Plan covers all eligible employees of their facility Other GHS entities provide a plan for those employees hired prior to July 1, 1997 The benefits for both plans are generally based on years of service and the employees' compensation

(in thousands of dollars)

The following tables set forth the changes in the Plans' combined benefit obligation, fair value of plan assets and accrued benefit cost at June 30

	2012	2011
Change in benefit obligation		
Benefit obligation at beginning of year	$ 115,105	$ 112,841
Service cost	3,141	3,063
Interest cost	6,378	6,023
Employee contribution	102	97
Actuarial loss (gain)	35,149	121
Expenses paid	(605)	(596)
Benefits paid	(7,229)	(6,444)
Benefit obligation at end of year	$ 152,041	$ 115,105
Accumulated benefit obligation, end of year	$ 140,707	$ 106,968
Change in plan assets		
Fair value of plan assets at beginning of year	$ 101,492	$ 85,980
Actual return on plan assets, net of expenses	(483)	17,005
Employer contribution	15,700	5,450
Employee contribution	102	97
Expenses paid	(605)	(596)
Benefits paid	(7,229)	(6,444)
Fair value of plan assets at end of year	$ 108,977	$ 101,492
Funded status		
CH accrued pension cost	$ (9,272)	$ (4,039)
GHS accrued pension cost	(33,791)	(9,574)
Accrued pension cost	$ (43,063)	$ (13,613)

Amounts recognized in unrestricted net assets consist of an actuarial loss of $72,617 and $32,202 in 2012 and 2011, respectively, and a prior service credit of $1,910 and $2,381 in 2012 and 2011, respectively

The compositions of net periodic pension cost for the years ended June 30 are as follows

	2012	2011
Service cost	$ 3,141	$ 3,063
Interest cost	6,378	6,023
Expected return on plan assets	(7,179)	(6,782)
Net amortization and deferral	1,924	3,189
Total pension cost	$ 4,264	$ 5,493

(in thousands of dollars)

Assumptions
The significant assumptions used to determine the benefit obligations as of June 30 are as follows

	2012	2011
Weighted average discount rate - other GHS entities	4 10 %	5 50 %
Weighted average discount rate - CH Plan	4 20 %	5 60 %
Rate of increase in future compensation levels	3 39 %	3 39 %
Measurement date	June 30	June 30

The significant assumptions used to determine net periodic pension cost for the years ended June 30 are as follows

	2012	2011
Weighted average discount rate	5 53 %	5 33 %
Expected long-term rate of return on assets	7 50 %	7 75 %
Rate of increase in future compensation levels	3 39 %	3 39 %

The expected long-term rate of return on plan assets is determined considering the investment policy, asset allocation, and expected future returns Historical returns and future economic forecasts are also reviewed to assess the reasonableness of the assumptions

Investment Policy
The Guthrie Health Investment Committee is responsible for establishing investment objectives, guidelines, and target allocations of plan assets The committee utilizes investment consultants to analyze returns compared to benchmarks, and to ensure compliance with all objectives, guidelines, and targets Investment managers are utilized based on the asset allocation strategy Performance is monitored by the committee on a quarterly basis

Plan Assets
The weighted average asset allocations of the plans by asset category are as follows at the plan measurement dates

	Target	2012	2011
Cash and cash equivalents	0% - 5%	14%	3 %
Equities	45% - 75%	49%	60 %
Fixed income securities	30% - 50%	37%	37 %
		100%	100 %

(in thousands of dollars)

The following table represents the Plan's financial instruments as of June 30, 2012 and 2011, measured at fair market value on a recurring basis using the fair value hierarchy as defined by the authoritative guidance

	2012			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Cash and cash equivalents	$ 15,653	$ -	$ -	$ 15,653
Fixed income securities	-	21,448	-	21,448
Government securities	17,907	981	-	18,888
Equity securities	36,855	-	-	36,855
Equity mutual funds	16,133	-	-	16,133
	$ 86,548	$ 22,429	$ -	$ 108,977

	2011			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Cash and cash equivalents	$ 3,490	$ -	$ -	$ 3,490
Fixed income securities	-	21,801	-	21,801
Government securities	14,477	883	-	15,360
Equity securities	53,685	-	-	53,685
Equity mutual funds	7,156	-	-	7,156
	$ 78,808	$ 22,684	$ -	$ 101,492

Cash Flows
The Corporation expects to contribute approximately $8,000 to its pension plans in fiscal 2013

Benefit Payments
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

2013	$ 7,145
2014	6,815
2015	7,725
2016	7,030
2017	7,780
2018 to 2021	44,070

In 2013, the actuarial net loss and prior service costs for the pension plans will be $7,282 and $471, respectively

(in thousands of dollars)

Defined Contribution Plans
Employees of GHS hired on or after July 1, 1997 who have attained the age of twenty-one and have completed one year of credited service, are eligible to participate in the GHS Retirement Savings Plan, a defined contribution plan The plan is funded by GHS at a matching formula with a base contribution For employer contributions, participants are 50% vested after two years, 75% vested after three years and 100% vested after four years of credited service

Employees of GHS who opted to terminate their plan benefit under the GHS defined benefit plan effective January 1, 2005, began participation in a new defined contribution plan This plan provides an employer contribution of 5% of eligible compensation to age 45, and 6% of eligible compensation thereafter

Pension expense under the GHS defined contribution plans for the years ended June 30, 2012 and 2011 was approximately $1,983 and $1,856, respectively

The Clinic has a defined contribution retirement plan which covers substantially all full-time employees The Plan contributions are determined at the discretion of the Board of Directors, with the limitation that the contributions may not exceed the maximum amount allowed under the Internal Revenue Code The Plan includes a 401(k) elective deferral feature The Clinic made contributions to participant accounts equal to 5% of monthly gross pay, up to a maximum annual salary of $245 Employer plan contributions are immediately vested Expense relating to this plan amounted to approximately $5,507 and $5,193 in 2012 and 2011, respectively

9. Other Income, net

Other income (loss), net for the years ended June 30 is as follows

	2012	2011
Interest and dividends, net of investment fees	$ 20,038	$ 15,726
Gain on sale of investments, net	24,876	12,881
Unrealized (loss) gain on investments, net	(26,414)	28,739
Change in fair value of derivative instruments	(12,699)	4,450
Loss on derivative instruments	(3,345)	(5,748)
Other	7	(362)
	$ 2,463	$ 55,686

10. Insurance Coverage

Professional and General Liability Insurance
Guthrie Health formed GRRG to provide primary medical malpractice and general liability coverage for certain affiliates effective July 1, 2004 Some facilities are self-insured outside of GRRG An amount has been accrued for the claims incurred but not reported under the claims-made policies

In addition, the Corporation is provided insurance coverage through the Pennsylvania Medical Care Availability and Reduction of Error Fund (the Mcare Fund) for services rendered in the Commonwealth of Pennsylvania

(in thousands of dollars)

The Mcare Fund
Most of the Corporation's entities providing services in Pennsylvania are required to participate in the Mcare Fund The Mcare Fund, an agency fund of the Commonwealth or Pennsylvania, provides coverage in excess of the required primary layer The Mcare Fund exposure was capped at $500,000 per incident and $1,500,000 in aggregate for fiscal 2012 and 2011

The actuarially computed liability to all health care providers (hospitals, physicians and others) participating in the Mcare Fund at June 30, 2012 is expected to be substantially in excess of the amount the Mcare Fund has available to pay these claims The Corporation's annual surcharge premium for participation in the Mcare Fund was approximately $780 and $936 in 2012 and 2011, respectively No provision has been made for any future Mcare Fund assessments in the accompanying consolidated financial statements as the Corporation's portion of the Mcare Fund unfunded liability could not be reasonably estimated

Workers' Compensation Claims
Certain of the Corporation's entities are partially self-insured for workers' compensation claims The Corporation estimates and accrues the ultimate undiscounted costs, including incurred but not reported costs, of the settlement of such claims

At June 30, 2012, the Corporation maintains letters of credit totaling $6,445 under its workers compensation program in order to collateralize potential payments of claims

11. Fair Value of Financial Instruments

The Corporation follows authoritative guidance, which defines fair value, establishes a framework of measuring fair value, and expands disclosures related to fair value measurements Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value An asset or a liability's categorization within the fair value hierarchy is based on the lowest level of judgment input to its valuation Hierarchical levels, defined by authoritative guidance, are directly related to the amount of subjectivity associated with the valuation inputs for these assets and liabilities as follows

Level I — Valuations based on quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment

Level II — Valuations based on quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly

Level III — Valuations based on inputs that are unobservable and significant to the overall fair value measurement These are generally internally generated inputs and are not market based inputs

(in thousands of dollars)

Investments and Assets Limited as to Use

Financial instruments measured at fair value are based on one or more of the three valuation techniques noted in the fair value guidance The three valuation techniques are as follows

Market Approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

Cost Approach - Amount that would be required to replace the service capacity of an asset (i e replacement cost)

Income Approach - Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques and option-pricing models)

The categorization of assets limited as to use and investments within the fair value hierarchy defined by authoritative guidance is as follows

	June 30, 2012				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	Valuation Technique
Cash and cash equivalents	$ 91,290	$ -	$ -	$ 91,290	Market
Fixed income securities	-	134,838	-	134,838	Market
Fixed income mutual funds	-	79,926	-	79,926	Market
Government securities	162,920	5,807	-	168,727	Market
Equity securities	164,698	-	-	164,698	Market
Equity mutual funds	75,046	-	-	75,046	Market
Real assets	27,074	-	-	27,074	Market
Other	470	-	-	470	Market
	$ 521,498	$ 220,571	$ -	$ 742,069	

	June 30, 2011				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	Valuation Technique
Cash and cash equivalents	$ 31,071	$ -	$ -	$ 31,071	Market
Fixed income securities	-	195,348	-	195,348	Market
Fixed income mutual funds	-	231	-	231	Market
Government securities	151,127	15,301	-	166,428	Market
Equity securities	192,381	-	-	192,381	Market
Equity mutual funds	29,035	-	-	29,035	Market
Other	13,924	-	-	13,924	Market
	$ 417,538	$ 210,880	$ -	$ 628,418	

(in thousands of dollars)

Swaps Agreements

The Corporation entered into a floating to fixed interest rate swap agreement on March 20, 2007 The purpose of the agreement is to reduce the impact of fluctuations in interest rates and to achieve net synthetic fixed rate obligations At June 30, 2012 and 2011, the basis swap transactions were outstanding with notional amounts totaling $170,965 and $173,970, respectively, and maturity dates ranging from November 2017 to November 2031

The Corporation entered into a total return swap agreement (TRS) and an interest rate cap agreement (CAP) on September 8, 2011 The purpose of the TRS was to reduce the Corporation's overall cost of capital The purpose of the CAP was to reduce the variable interest rate risk of the TRS At June 30, 2012, the TRS and CAP transactions were outstanding each with notional amounts of $50,000 The maturity dates for the TRS and CAP are September 2016 and September 2014, respectively

The Corporation has elected not to designate the swaps as a hedge for financial reporting purposes

The Corporation's swap agreements contain credit-risk-related provisions that require the Corporation to post collateral in varying amounts based on the Corporation's credit rating At June 30, 2012 and 2011, the Corporation was not required to post collateral

The Corporation's liability related to the fair value of derivative instruments at June 30 are as follows

	2012		2011	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Swaps agreements not designated as hedging instruments	Other liabilities	$ 33,522	Other liabilities	$ 19,739
	Other assets	1,084		

The effects of derivative instruments on the consolidated statements of operations and changes in net assets for the years ended June 30 are as follows

	2012		2011	
	Financial Statement Location	Fair Value	Financial Statement Location	Fair Value
Change in fair value of swap agreements	Other income, net	$ (12,699)	Other income, net	$ 4,450
Loss on swap agreements	Other income, net	(3,345)	Other income, net	(5,749)

The fair value of the swap agreements is the estimated amount the Corporation would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates and the credit worthiness of the counterparty The Corporation exposes the counterparty to the swap agreements to credit loss in the event of nonperformance, however, nonperformance is not anticipated The fair value of the swap agreements is considered Level 2 within the valuation hierarchy as defined by authoritative guidance

(in thousands of dollars)

Long-Term Debt
The fair value of long-term debt is based on the quoted market prices or estimated using a discounted cash flow analysis, based on the participating institution's incremental borrowing rates for similar types of borrowing arrangements

The carrying amounts and fair values of the Corporation's long-term debt at June 30, 2012 and 2011 are as follows

	2012	2011
Carrying amount	$ 243,545	$ 132,632
Estimated fair value	246,862	116,327

12. Commitments and Contingencies

a The Corporation has various noncancelable operating lease agreements expiring through 2027 The rents under these agreements and cancelable rental agreements charged to operations amounted to $3,837 and $3,852 in 2012 and 2011, respectively

The Corporation's noncancelable rental commitments as of June 30, 2012, are as follows

Years Ending June 30,	
2013	$ 1,446
2014	1,204
2015	1,113
2016	762
2017	619
Thereafter	1,537
	$ 6,681

b The Corporation is involved in certain claims and legal proceedings in the normal course of business in which monetary damages and other relief are sought The Corporation is vigorously contesting these claims However, resolution of these claims is not expected to occur quickly and their ultimate outcome cannot presently be determined In any event, it is the opinion of management, after considering the effects of insurance coverage and related reserve estimates, the liability to the Corporation, if any, for claims or proceedings will not materially affect its financial position

c The health care industry is subject to numerous laws and regulations of federal, state and local governments Compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown or unasserted at this time