efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134028544

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

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

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

C Name of organization
The American Oncologic Hospital

Doing Business As
Hosp Of The Fox Chase Cancer Center

Number and street (or P O box if mail is not delivered to street address) | Room/suite
3509 N Broad St No Rm 936

City or town, state or country, and ZIP + 4
Philadelphia, PA 19140

D Employer identification number
23-1352156

E Telephone number
(215) 728-3824

G Gross receipts $ 256,462,687

F Name and address of principal officer
Anthony Diasio
3509 N Broad St No Rm 936
Philadelphia, PA 19140

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 fccc edu

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1904 | **M** State of legal domicile PA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
To prevail over cancer marshaling heart and mind in bold scientific discovery, pioneering prevention, and compassionate care

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	1,577
6	Total number of volunteers (estimate if necessary)	6	363
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)	1,439,134	7,776,982
	9	Program service revenue (Part VIII, line 2g)	244,319,102	245,892,688
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	360,341	537,103
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	264,088	819,634
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	246,382,665	255,026,407
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	17,058,648
	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)	73,370,644	96,018,407
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶190,900		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	150,286,669	119,843,088
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	223,657,313	232,920,143
	19	Revenue less expenses Subtract line 18 from line 12	22,725,352	22,106,264

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	211,101,813	148,518,570
	21	Total liabilities (Part X, line 26)	173,883,940	120,680,903
	22	Net assets or fund balances Subtract line 21 from line 20	37,217,873	27,837,667

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

****** | 2014-05-14
Signature of officer | Date

Raymond Lefton Chief Financial Officer
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

To prevail over cancer marshaling heart and mind in bold scientific discovery, pioneering prevention, and compassionate care

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 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 $ 156,845,893 including grants of $) (Revenue $ 246,674,758)

Healthcare professionals at the American Oncologic Hospital focus on developing and participating in clinical trials to broaden our knowledge of cancer treatments Our multidisciplinary staff provides a coordinated approach to treatment to best meet the needs of each patient Specialists at the American Oncologic Hospital are recognized nationally and internationally in all areas of cancer care

4b (Code) (Expenses $ 29,239,087 including grants of $) (Revenue $)

The mission of the Nursing department is to ease the burden of human cancer by providing compassionate, expert, holistic nursing care to adult cancer patients and their families Fox Chase Cancer Center has a unique staff of oncology trained nurses who provide one of the best nurse-to-patient ratios in the area

4c (Code) (Expenses $ 12,476,232 including grants of $) (Revenue $)

At the American Oncologic Hospital, we believe that cancer care goes beyond medical diagnosis and treatment For patients and their families we offer an array of support services, including complete care, nutrition support services, pain management, palliative care, pastoral care, social work services, support groups and medical records

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 198,561,212

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 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	**9**		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	**10**	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *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**	Yes	
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**		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	**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 and XII is optional*	**12b**	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	**13**		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	**14a**		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	**14b**		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	**15**		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	**16**		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	**17**		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	**18**	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	**19**		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	**20a**	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	**20b**	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

				Line	Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	80			
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**	1,577			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			**2b**	Yes	
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, securities account, or other financial account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			**13a**		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 15			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 14			
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**	Yes	
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 this 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**		No
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 ☐ Other (explain in Schedule O)

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 during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶Anthony Diasio 333 Cottman Avenue Philadelphia, PA (215) 728-3824

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 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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

		(D)	(E)	(F)
1b	**Sub-Total** . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . ▶	3,360,165	4,048,447	960,414

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 ▶111

			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
Temple University Health System 2450 W Hunting Park Avenue Philadelphia PA 19129	Professional Service	6,660,698
Jeanes Hospital 7600 Central Avenue Philadelphia PA 19111	Professional Service	6,338,794
Temple University Hospital 3509 N Broad Street Philadelphia PA 19140	Professional Service	2,699,124
Harmelin Media 525 Righters Ferry Road Bala Cynwyd PA 19004	Professional Service	2,084,437
Siemens Medical Solutions PO Box 7777 W3580 Philadelphia PA 19175	Professional Service	1,798,827

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 ▶43

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d 5,455,863				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 2,321,119				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . ▶		7,776,982			
Program Service Revenue			Business Code				
	2a	Net Patient Service Revenue	622110	242,882,590	242,882,590		
	b	Government Plan Revenue	622110	1,935,296	1,935,296		
	c	AOH Physicist Revenue	622110	824,425	824,425		
	d	Jeanes Revenue	622110	186,157	186,157		
	e	Patient TV Revenue	622110	64,220	64,220		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . ▶		245,892,688			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . ▶		537,103			537,103
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . ▶					

		(i) Real	(ii) Personal
6a	Gross rents	21,772	
b	Less rental expenses	0	
c	Rental income or (loss)	21,772	

		(A)	(B)	(C)	(D)
d	Net rental income or (loss) . . . . ▶	21,772			21,772

		(i) Securities	(ii) Other
7a	Gross amount from sales of assets other than inventory		
b	Less cost or other basis and sales expenses		
c	Gain or (loss)		

			(A)	(B)	(C)	(D)
7d	Net gain or (loss) . . . . ▶					
8a	Gross income from fundraising events (not including $ ______________ of contributions reported on line 1c) See Part IV, line 18 . .	a 1,452,072				
b	Less direct expenses . . .	b 1,436,280				
c	Net income or (loss) from fundraising events . . ▶		15,792			15,792
9a	Gross income from gaming activities See Part IV, line 19 . . .	a				
b	Less direct expenses . . .	b				
c	Net income or (loss) from gaming activities . . . ▶					
10a	Gross sales of inventory, less returns and allowances .	a				
b	Less cost of goods sold . .	b				
c	Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
11a	Miscellaneous Revenue	900099	782,070	782,070		
b						
c						
d	All other revenue					
e	**Total.** Add lines 11a–11d . . . . ▶		782,070			
12	**Total revenue.** See Instructions . . . . . ▶		255,026,407	246,674,758	0	574,667

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)

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	17,058,648	17,058,648		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,327,993	1,373,472	1,954,521	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	70,085,219	57,561,789	12,523,430	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	16,989,085	14,974,321	2,014,764	
10 Payroll taxes	5,616,110	4,508,547	1,107,563	
11 Fees for services (non-employees)				
a Management				
b Legal	310,654		310,654	
c Accounting	522,062		522,062	
d Lobbying	23,308		23,308	
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	30,166,452	25,672,405	4,303,147	190,900
12 Advertising and promotion	2,481,636	1,153	2,480,483	
13 Office expenses	830,823	390,406	440,417	
14 Information technology	618,083	169,912	448,171	
15 Royalties . .				
16 Occupancy	6,309,724	4,195,364	2,114,360	
17 Travel	304,120	176,678	127,442	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	64,898	20,979	43,919	
20 Interest	5,589,583		5,589,583	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,556,521	6,429,410	127,111	
23 Insurance	159,722	149,696	10,026	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Drugs	46,689,887	46,667,884	22,003	
b Medical/Surgical & Admi	13,161,021	13,155,954	5,067	
c Equipment Rentals	4,121,941	4,121,941		
d PA Quality Assessment T	1,932,653	1,932,653		
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	232,920,143	198,561,212	34,168,031	190,900
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	**1**	Cash—non-interest-bearing		5,882,050	**1**	5,250,895
	2	Savings and temporary cash investments		92,960	**2**	
	3	Pledges and grants receivable, net			**3**	1,043,000
	4	Accounts receivable, net		33,038,791	**4**	67,203,934
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			**5**	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			**6**	
	7	Notes and loans receivable, net			**7**	
	8	Inventories for sale or use		3,659,197	**8**	3,649,253
	9	Prepaid expenses and deferred charges		4,675,803	**9**	1,571,044
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	**10a** 47,788,678			
	b	Less accumulated depreciation	**10b** 6,424,960	134,309,352	**10c**	41,363,718
	11	Investments—publicly traded securities		1,000,645	**11**	633,387
	12	Investments—other securities See Part IV, line 11			**12**	
	13	Investments—program-related See Part IV, line 11		15,648,049	**13**	0
	14	Intangible assets			**14**	14,248,889
	15	Other assets See Part IV, line 11		12,794,966	**15**	13,554,450
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		211,101,813	**16**	148,518,570
Liabilities	**17**	Accounts payable and accrued expenses		30,252,182	**17**	29,129,722
	18	Grants payable			**18**	54,785
	19	Deferred revenue			**19**	
	20	Tax-exempt bond liabilities		93,210,767	**20**	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			**21**	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			**22**	
	23	Secured mortgages and notes payable to unrelated third parties		18,334,464	**23**	4,995,047
	24	Unsecured notes and loans payable to unrelated third parties		13,114,017	**24**	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		18,972,510	**25**	86,501,349
	26	**Total liabilities.** Add lines 17 through 25		173,883,940	**26**	120,680,903
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		35,155,038	**27**	16,251,324
	28	Temporarily restricted net assets		296,691	**28**	4,083,164
	29	Permanently restricted net assets		1,766,144	**29**	7,503,179
		Organizations that do not follow SFAS 117 (ASC 958), 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		37,217,873	**33**	27,837,667
	34	Total liabilities and net assets/fund balances		211,101,813	**34**	148,518,570

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	255,026,407
2	Total expenses (must equal Part IX, column (A), line 25)	2	232,920,143
3	Revenue less expenses Subtract line 2 from line 1	3	22,106,264
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	37,217,873
5	Net unrealized gains (losses) on investments	5	279,338
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-31,765,808
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	27,837,667

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
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 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?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Additional Data

Software ID:
Software Version:
EIN: 23-1352156
Name: The American Oncologic Hospital

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
Lewis Gould Chair	2 00 7 00	X		X				0	0	0
Margot Keith Vice Chair	1 00 3 00	X		X				0	0	0
Ronald Donatucci Director	1 00 5 00	X						0	0	0
Lewis Katz Director	1 00 5 00	X						0	0	0
Solomon Luo MD Director	2 00 7 00	X						0	0	0
Christopher McNichol Director	3 00 3 00	X						0	0	0
Joseph Evans Director	2 00 5 00	X						0	0	0
Edward Glickman Director	2 00 5 00	X						0	0	0
Lon Greenberg Director	2 00 6 00	X						0	0	0
Thomas Hofmann Director	2 00 3 00	X						0	0	0
David Marshall Director	2 00 5 00	X						0	0	0
Dr John Daly Director	2 00 48 00	X						0	737,193	51,372
Dr Donald Morel Director	2 00 3 00	X						0	0	0
Daniel Polett Director	2 00 5 00	X						0	0	0
Dr Thomas Shenk Director	2 00 3 00	X						0	0	0
Verdi DiSesa MD President & CEO	2 00 48 00			X				0	820,873	44,901
Beth Koob Secretary	2 00 48 00			X				0	528,081	88,175
Betty McAdams Asst Secretary	1 00 49 00			X				0	80,588	22,822
Carmel Vahey Asst Secretary	47 00 3 00			X				53,817	0	18,113
Judith Bachman COO & Asst Treasurer	47 00 3 00			X				0	0	12,525
Anthony Diasio Asst Treasurer	44 00 6 00			X				260,791	0	35,816
Robert Lux Asst Treasurer	1 00 49 00			X				0	604,747	129,704
Richard Fisher MD President & CEO	45 00 5 00			X				0	0	0
Michael Seiden MD President & CEO	45 00 5 00			X				602,974	0	26,971
Thomas Albanesi Treasurer	44 00 6 00			X				419,783	0	47,740

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
Joanne Hambleton SrVP Clinical Systems	47 00 3 00				X			263,643	0	21,524
Gary Weyhmuller Chief Operating Officer	47 00 3 00				X			398,028	0	26,167
Robert J Beck MD Chief Medical Officer	25 00 25 00				X			0	462,937	38,765
Robert Uzzo MD Chair Surgical Oncology	23 00 27 00				X			0	814,028	48,704
Chang Ma Vice Chair Rad Onc	50 00 0 00					X		400,433	0	86,481
Robert Price Assoc Professor	50 00 0 00					X		277,398	0	65,517
Lu Wang Assoc Professor	50 00 0 00					X		233,123	0	72,729
LiLi Chen Assoc Professor	50 00 0 00					X		226,927	0	55,557
Jinsheng Li Assoc Professor	50 00 0 00					X		223,248	0	66,831

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134028544

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

2012

Open to Public Inspection

Name of the organization
The American Oncologic Hospital

Employer identification number
23-1352156

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

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

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

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

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

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

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

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

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

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

9 ☐ An organization that normally receives (1) more than 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 - Non-functionally integrated

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 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?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of monetary support
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) | 12 |

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) | 14 |

15 Public support percentage for 2011 Schedule A, Part II, line 14 | 15 |

16a **33 1/3% support test—2012.** 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—2011.** If the organization did not check a 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—2012.** 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—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** 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—2011.** 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493134028544

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
2012
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, Part V, line 35c (Proxy Tax), then
- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	**Employer identification number**
The American Oncologic Hospital	23-1352156

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 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 function 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)	23,308	34,211
c	Total lobbying expenditures (add lines 1a and 1b)	23,308	34,211
d	Other exempt purpose expenditures	215,831,484	289,128,719
e	Total exempt purpose expenditures (add lines 1c and 1d)	215,854,792	289,162,930
f	Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000

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

		(a)	(b)
g	Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000
h	Subtract line 1g from line 1a If zero or less, enter -0-	0	0
i	Subtract line 1f from line 1c If zero or less, enter -0-	0	0

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)** 2009	**(b)** 2010	**(c)** 2011	**(d)** 2012	**(e)** Total
2a	Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b	Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c	Total lobbying expenditures	50,284	61,948	47,718	34,211	194,161
d	Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e	Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(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?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible 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, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation
Part IV, Supplemental Information		Schedule C, Part II-a - Affiliated Group Attachment The American Oncologic Hospital Inc - EIN 23-1352156 3509 N Broad Street - Philadelphia, PA 19140 Expenses $23,000 The Institute for Cancer Research - EIN 23-6296135 3509 N Broad Street - Philadelphia, PA 19140 Expenses $10,903 Fox Chase Cancer Center Medical Group - EIN 45-4540585 3509 N Broad Street - Philadelphia, PA 19140 Expenses $0 Fox Chase Network - EIN 23-2467337 3509 N Broad Street - Philadelphia, PA 19140 Expenses $0 Schedule C - Part II-A Line 1 Management has direct contact with Legislators, their staff and Goverment officials to advocate the Hospital's position on key issues affecting the hospital Frequently, these contacts are made to educate the appropriate representative or official on the implications of specific policy/legislation on the industry in general and/or implications to Fox Chase At the federal level, during FY 2013 the Hospital advocated for increased medicare reimbursement under the cancer center rules and advocated for increased research funding for the NIH and NCI Management also provided input on various issues including health care reform and important issues such as drug shortages legislation Additionally, to assist the Fox Chase entities obtain needed funding for cutting edge technologies and resources used by the scientific and clinical faculty, the hospital affiliate submitted federal grants through the appropriate mechanisms At the state level, management advocated for the sustained use of Tobacco Funds to support the various cancer programs in the Commonwealth This funding is central to the programs conducted by the Fox Chase in cancer research, prevention, screenings and treatment Management also met with various state representatives to obtain funding for capital and operating programs under the various appropriations mechanisms to support economic development opportunities

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
The American Oncologic Hospital

Employer identification number
23-1352156

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 can 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 education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 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, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) 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 acquisition, 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
d ☐ Loan or exchange programs
b ☐ Scholarly research
e ☐ Other
c ☐ Preservation for future generations

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

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 XIII 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 XIII Check here if the explanation has been provided in Part XIII . . . . ☐

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

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	2,386,286	8,903,362	3,720,512	1,606,575	4,562,324
b	Contributions	1,340,308	1,414,080	4,340,629	2,056,274	11,336
c	Net investment earnings, gains, and losses	26,589	1,329	842,221	63,620	-922,600
d	Grants or scholarships	0	2,539	0	5,957	0
e	Other expenditures for facilities and programs	316,394	7,929,946	0	0	2,004,485
f	Administrative expenses	0	0	0	0	0
g	End of year balance	3,436,789	2,386,286	8,903,362	3,720,512	1,646,575

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ▶ 0 %

b Permanent endowment ▶ 44 700 %

c Temporarily restricted endowment ▶ 55 300 %

The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

4 Describe in Part XIII 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		5,083,000		5,083,000
b Buildings		18,460,896	758,345	17,702,551
c Leasehold improvements		4,716,800	834,325	3,882,475
d Equipment		16,964,298	4,832,290	12,132,008
e Other		2,563,684		2,563,684
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				41,363,718

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) must 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) must 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
(1) Wells Fargo Collateral	3,925,000
(2) Board of Associates - Bank Accounts	832,713
(3) Temporarily Restricted Cash - PNC	1,892,239
(4) Della Penna - Haverford Trust	1,167,129
(5) ACE Bond Collateral	403,680
(6) Permanently Restricted Cash - PNC	343,711
(7) Beneficial Interest in FCCC Foundation	4,729,630
(8) Security Deposits	85,874
(9) Other Assets	174,474
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	13,554,450

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
Post Retirement Benefits	3,025,595
Other Liabilities	5,157,188
Worker's Compensation	2,337,473
Intercompany Debt	75,981,093
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	86,501,349

2. Fin 48 (ASC 740) Footnote In Part XIII, 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 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI 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 XIII)	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 XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

Part XII 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 XIII)	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 XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	The American Oncologic Hospital periodically receives endowment gifts from individuals and other entities that provide a steady stream of income to the respective purpose to which the donor intended This typically would be to support patient care programs and patient care activities at the hospital Part V Line 1b This amount includes the transfer of endowed funds from a former related organization

Additional Data

Software ID:
Software Version:
EIN: 23-1352156
Name: The American Oncologic Hospital

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	**(b)** Book value
(1) Wells Fargo Collateral	3,925,000
(2) Board of Associates - Bank Accounts	832,713
(3) Temporarily Restricted Cash - PNC	1,892,239
(4) Della Penna - Haverford Trust	1,167,129
(5) ACE Bond Collateral	403,680
(6) Permanently Restricted Cash - PNC	343,711
(7) Beneficial Interest in FCCC Foundation	4,729,630
(8) Security Deposits	85,874
(9) Other Assets	174,474

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
The American Oncologic Hospital

Employer identification number
23-1352156

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

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

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

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

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

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

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

			(a) Event #1 April in Venice (event type)	(b) Event #2 Monte Carlo Night (event type)	(c) Other events 11 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1	Gross receipts	230,307	49,620	1,172,145	1,452,072
	2	Less Contributions				
	3	Gross income (line 1 minus line 2)	230,307	49,620	1,172,145	1,452,072
Direct Expenses	4	Cash prizes				
	5	Noncash prizes				
	6	Rent/facility costs				
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses	28,015	8,609	1,399,656	1,436,280
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶				(1,436,280)
	11	Net income summary Combine line 3, column (d), and line 10 ▶				15,792

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

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

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

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

b If "No," explain ____

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

b If "Yes," explain ____

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶

Address ▶

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

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

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ $

Description of services provided ▶

Director/officer Employee Independent contractor

17 Mandatory distributions

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

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

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation

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

2012

Open to Public Inspection

Name of the organization
The American Oncologic Hospital

Employer identification number
23-1352156

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			422,000	0	422,000	0 180 %
b Medicaid (from Worksheet 3, column a)			8,847,000	5,616,000	3,231,000	1 390 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0		
d **Total** Financial Assistance and Means-Tested Government Programs			9,269,000	5,616,000	3,653,000	1 570 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			29,055		29,055	0 010 %
f Health professions education (from Worksheet 5)			6,869,000	1,314,000	5,555,000	2 380 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits			6,898,055	1,314,000	5,584,055	2 390 %
k **Total.** Add lines 7d and 7j			16,167,055	6,930,000	9,237,055	3 960 %

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building			878,480		878,480	0 380 %
7	Community health improvement advocacy			690,520	576,000	114,520	0 050 %
8	Workforce development						
9	Other						
10	**Total**			1,569,000	576,000	993,000	0 430 %

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 Explain in Part VI the methodology used by the organization to estimate this amount	2	3,490,000			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	0			
4	Provide in Part VI the text of the footnote to the organization’s financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements					

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	67,080,000			
6	Enter Medicare allowable costs of care relating to payments on line 5	6	71,729,000			
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-4,649,000			
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** (owned 10% or more by officers, directors, trustees, key employees, and physicians—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—see instructions)
How many hospital facilities did the organization operate during the tax year?
3

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	The American Oncologic Hospital 333 Cottman Avenue Philadelphia, PA 19111	X	X		X						A
2	The American Oncologic Hospital 2365 Heritage Center Drive Furlong, PA 18925	X	X		X						A
3	The American Oncologic Hospital 8 Huntingdon Pike Jenkintown, PA 19046	X	X		X						A

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group The American Oncologic Hospital

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report 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 the community health 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 CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		No
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report 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 CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide 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 its 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 CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that			
Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 250 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	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)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to 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 on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 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?	**15**	Yes	
16 Check all of the following 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			
e ☐ Other similar actions (describe in Part VI)			
17 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?	**17**		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)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☐ Notified individuals 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)

Policy Relating to Emergency Medical Care

		Yes	No
19 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?	**19**		No

If "No," indicate why

- **a** ☐ The hospital facility did not provide care for any emergency medical conditions
- **b** ☐ The hospital facility's policy was not in writing
- **c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- **d** ☐ Other (describe in Part VI)

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 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 its 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)

		Yes	No
21 During the tax year, did the hospital facility charge any FAP-eligible individuals 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?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care 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, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

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

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

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

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

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

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

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		Part I, Line 3c Not applicable The American Oncologic Hospital does use Federal Poverty Guidelines The Hospital provides patient care services without charge, or at amounts less than established rates, to patients who meet the criteria of its charity care policy Criteria for consideration under the charity care policy is based primarily on family income and worth, but also recognizes other circumstances where undue financial hardships exist The Hospital maintains records to identify and monitor the level of charity care it provides Because collection of amounts determined to qualify as charity care are not pursued, patient service revenues are reduced by such amounts The Hospital also provides services and supplies below cost to patients covered by government insurance programs, including the Medicare and Medicaid programs
		Part I, Line 6a The community health needs assessment (CHNA) was completed in December of 2012 with input from primary and secondary data including U S Census, Pennsylvania Department of Health vital statistics, Claritas Inc , and tumor registry data from Fox Chase Cancer Center (FCCC) See Part V, Section B for further information

Identifier	ReturnReference	Explanation
		Part I, Line 7 The net community benefit expense was $5,584,055
		Part II The net community building expense was $993,000 See Part VI, Line 5 for description of the organization's community building activities and how they promote the health of the communities served

Identifier	ReturnReference	Explanation
		Part III, Line 4 There is no footnote specific to bad debt at this time This expense is related to services rendered for which payment is anticipated and credit is extended These patients do not meet the established Charity Care policy and may therefore have the ability to pay The cost method is determined based on the patient's liability for services rendered and is a community benefit because it is a cost of providing health care to the general public
		Part III, Line 8 In 2012, the cost of providing services to the Medicare population was $4,649,000 (Part III, Line 7) higher than revenue Medicare allowable cost (Part III, Line 6) was based on cost apportionment derived from the Medicare Cost Report The Medicare shortfall carried by FCCC provides a community benefit because it benefits a charitable class, the elderly

Identifier	ReturnReference	Explanation
		Part III, Line 9b Yes, the organization's written collection policy contains provisions on the collection practices to be followed for patients who are known to quality for charity care or financial assistance
		Part VI, Line 2 QUESTION 2 - The community health needs assessment (CHNA) was completed in December of 2012 with input from primary and secondary data including U S Census, Pennsylvania Department of Health vital statistics, Claritas Inc , and tumor registry data from Fox Chase Cancer Center (FCCC) The target area included in the CHNA is the primary service area for the institution and comprises 87 zip codes in Bucks, Montgomery and Philadelphia counties with a total population of 1,857,000 In addition to the quantitative data utilized for the CHNA, additional community input was derived from three meetings with our Community Advisory Council (CAC) members and the Southeastern Pennsylvania Household Health Survey with questions based on validated instruments such as the National Center for Health Statistics (NCHS) for the National Health Interview Survey (NHIS), The Behavioral Risk Factor Surveillance System (BRFSS), The California Womens Health Survey, The Social Capital Community Benchmark Survey (Kennedy School of Government, Harvard University) and The Survey on Childhood Obesity (Kaiser Family Foundation/San Jose Mercury News) In total, 4,354 interviews were conducted with adults from the targeted region The final CHNA is available to the public via the organizations website http //fccc edu/information/Community-Health/FCCC-CHNA-April-2013 pdf Additional dissemination of its findings have been presented to the Board of Directors, senior leadership, CAC members and to multiple entities within FCCC including American College of Surgeons (ACoS) Commission on Cancer, Cancer Committee, Cancer Prevention and Cancer Control (Behavioral Research team) and staff from the Office of Health Communications and Health Disparities, the primary education and outreach arm for the institution The CNHA provided a broad overview of the needs of our community, however, as an NCI Comprehensive Cancer Center, our sole focus is cancer Within the cancer control realm, we address the entire cancer continuum from prevention to survivorship An implementation plan has been developed to address the needs which include lack of knowledge regarding cancer, access to care, specifically screening, complexity of the healthcare system, obesity which has been associated with increasing the risk of certain cancers, cultural and language needs to address the evolving changes in the community population During the reporting period, the CHNA was completed, an implementation plan has been developed and approved by the Board of Directors and teams have been tasked with implementing specific tasks and/or projects to address the identified needs Additionally, the plan has been posted to the FCCC website http //fccc edu/information/Community-Health/FCCC-Implementation-Strategy-5-10-13 pdf

Identifier	ReturnReference	Explanation
		Part VI, Line 3 QUESTION 3 - Fox Chase Cancer Centers mission is to prevail over cancer Activities include basic, clinical and prevention research, detection and treatment of cancer, and community outreach programs Consistent with this mission, the AOH will consider the inability of its patients to meet the financial burden of cancer care that may arise during treatment The AOH is committed to treating patients who experience financial difficulties with the same dignity and care extended to all other patients Procedure When a patient calls in to schedule an appointment, the new patient office will notify patient financial services (PFS) of anyone who is either a) not insured b) participates in a health plan that AOH does not accept or is out of network or c) communicates a concern regarding the ability to meet financial obligation All such patients will be contacted by a financial counselor No financial assistance will be extended to a patient until a plan of treatment has been established External community screening is provided via the mobile screening unit This vehicle is outfitted with state-of-the-art breast cancer screening equipment equal in quality to the equipment on-site During 2013, we provided breast and skin cancer screenings to 3,845 persons in community settings (CBO, FBO, business/corporations, academic institutions) Through the Office of Health Communications and Health Disparities we have secured external funding via grants (i e PA Healthy Women Program (PAHWP), foundations) and other fundraising activity to off-set and/or cover associated costs to screening and diagnostic testing for the uninsured PAHWP currently provides AOH with 240 slots to be allocated as following 120 for women 40-49 and 120 for women 50-64 Procedure At time of screening, a patient who presents as uninsured will be provided with an application for the Pennsylvania Healthy Women Program (breast and cervical cancer screening program) If the eligibility criteria are met, all screening costs are covered If further diagnosis is required, PAHW will also provide coverage Should a cancer diagnosis be discovered, AOH prepares and submits a Medicaid application Reimbursement for treatment will be retroactive Should the patient not be eligible for Medicaid, AOH will work with Patient Financial Services for financial counseling
		Part VI, Line 4 QUESTION 4 - The majority of AOH patients reside in the target area identified in the CHNA (see needs assessment section for demographics and target region) A special emphasis has been given to a 12 zip code region referred to as Neighbors surrounding AOH Education, screening and research programs enable AOH to create stronger partnerships with organizations and provide opportunities for these organizations to become involved in shaping future activities Several individuals from these efforts have joined steering and advisory committees, advocating on behalf of the community

Identifier	ReturnReference	Explanation
		Part VI, Line 5 QUESTION 5 - Through our Community Speakers Bureau program, we reached 5,001 individuals in calendar 2013 48% of these individuals were educated in Spanish A wide array of cancer topics is available, including breast, cervical, colorectal, ovarian, prostate, lung and skin All of the programs include general cancer information about the site, risk factors, screening guidelines, diagnosis and treatment As part of our partnership development strategies, we have developed relationships with community-based organizations (CBO), faith-based organizations (FBO), business and academic institutions These partnerships enable us to successfully fulfill our mandate to disseminate evidence-based information to increase the publics understanding of cancer, to promote prevention and lifestyle changes to reduce cancer risk and to support informed decision-making Through our Resource and Education Center, staff provides patients, families and community members with access to free cancer information and resources that address the cancer continuum Trained health educators assist persons seeking information increase their understanding of the cancer diagnosis, resources to treatment, how to improve communications with the healthcare team, support services and survivorship In total, the REC staff reached 3,845 persons in the reporting period Targeted media education campaigns focused on clinical trials were designed by the OHCHD health educators The campaigns provided general information on clinical trials, the importance of participation and included culturally competent videos This was a successful education campaign reaching 190 persons Cultural Competence and Language Services As part of our implementation plan, our cultural competence team will assess the language services at FCCC This will include data collection regarding language services, assessment of equipment, review of policies and procedures and staff development and training In May 2013, FCCC participated in a system-wide cultural competence symposium to begin sharing information with staff regarding the federal mandates for Cultural and Linguistically Appropriate Services (CLAS Standards) Community Support Psychosocial support is provided to patients individually but also via monthly and/or quarterly support groups facilitated by social services and clinical staff In total, there are nine groups Monthly meetings include those for breast cancer, esophagectomy, head and neck cancer, laryngectomy, ostomy, and prostate cancer, an additional group is the Look Good Feel Better group co-facilitated with our community partner American Cancer Society Quarterly meetings are provided for lymphedema and we also offer an 8-week bereavement support group Community Building - Through our Immersion Science High School Program, FCCC provided free education programming to diverse high school students from the target region In total, 157 students from 47 Philadelphia school participated in the program The Immersion Science program provides staged, comprehensive exposure of high school students to increase careers in science, and to provide direct instruction in basic lab practices and scientific thought There is no cost to participate, and in fact, summer salaries were provided to students in the Phase 3 segment of the program In total eight (8) students were paid, 3 were awarded half-time fellowships ($1125) and 5 got full-time fellowships ($2250)
		Part VI, Line 6 American Oncologic Hospital is a part of Fox Chase Cancer Center, which is member of the Temple University Health System, Inc (TUHS) Its mission is to prevail over cancer marshaling heart and mind in bold scientific discovery, pioneering prevention, and compassionate care The missions of other members of the Temple University Health System similarly advance the health systems goals, as follows Temple University Hospitals mission to provide access to the highest quality of health care in both the community and academic setting and it supports Temple University and its Health Sciences Center academic programs by providing the clinical environment and service to support the highest quality teaching and training programs for health care students and professionals, and to support the highest quality research programs, Jeanes Hospital's mission is to maintain and enhance the quality of life for individuals in the communities it serves, the Temple Health System Transport Team, Inc mission is to provide the highest level of critical care transport services available in the mid-Atlantic region, and, Temple Physicians, Inc , (TPI) mission is to provide the highest quality of clinical care as well as to support the clinical, administrative and corporate activities of the Temple University Health System TPI is a network of about 110 community-based physicians, nurse practitioners, and physician assistants in about 48 practice sites, with a focus on family medicine, internal medicine, gynecology, and pediatrics All Temple physicians accept patients covered by Medicaid

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134028544

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

2012

Open to Public Inspection

Name of the organization
The American Oncologic Hospital

Employer identification number
23-1352156

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. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
(1) Fox Chase Cancer Center Medical Group 3509 N Broad Street Philadelphia, PA 19140	45-4540585		15,058,648				Medical Services
(2) The Institute for Cancer Research 3509 N Broad Street Philadelphia, PA 19140	23-6296135		2,000,000				Research

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . ▶ 2

3 Enter total number of other organizations listed in the line 1 table . . . . ▶ 0

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. Part III can be duplicated if additional space is needed.

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

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 The organization made grants for tax-exempt purposes only to related organizations under common control The Board of Directors of the organization serves as the Board of Directors of the grantees

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

2012

Open to Public Inspection

Name of the organization
The American Oncologic Hospital

Employer identification number
23-1352156

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 or provision of all of 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 filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ 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**	Yes	
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? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	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? If "Yes," to line 5a or 5b, describe in Part III	**5b**		No
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? If "Yes," to line 6a or 6b, describe in Part III	**6b**		No
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 Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name and Title		**(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 as deferred in prior Form 990
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
	Part I, Line 4a	Part I, Line 4a Michael Seiden served as CEO of The American Oncologic Hospital until the lay-off date of 2/28/2013 and received severance compensation in the amount of $176,923 during fiscal year 2013 from the Hospital upon termination of his employment Gary Weyhmuller served as COO of The American Oncologic Hospital until the lay-off date of 1/11/2013 and received severance compensation in the amount of $132,000 during fiscal year 2013 from the Hospital upon termination of his employment

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-1352156
Name: The American Oncologic Hospital

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation	(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
Dr John Daly	(i)	0	0	0	0	0	0	0
	(ii)	359,970	0	377,223	0	51,372	788,565	0
Verdi DiSesa MD	(i)	0	0	0	0	0	0	0
	(ii)	745,873	0	75,000	0	44,901	865,774	0
Beth Koob	(i)	0	0	0	0	0	0	0
	(ii)	401,883	99,096	27,102	33,212	54,963	616,256	0
Anthony Diasio	(i)	225,791	35,000	0	8,605	27,211	296,607	0
	(ii)	0	0	0	0	0	0	0
Robert Lux	(i)	0	0	0	0	0	0	0
	(ii)	444,107	136,573	24,067	52,995	76,709	734,451	0
Michael Seiden MD	(i)	582,100	0	20,874	0	26,971	629,945	0
	(ii)	0	0	0	0	0	0	0
Thomas Albanesi	(i)	366,008	35,000	18,775	9,616	38,124	467,523	0
	(ii)	0	0	0	0	0	0	0
Joanne Hambleton	(i)	238,261	25,000	382	9,531	11,993	285,167	0
	(ii)	0	0	0	0	0	0	0
Gary Weyhmuller	(i)	342,856	55,000	172	9,859	16,308	424,195	0
	(ii)	0	0	0	0	0	0	0
Robert J Beck MD	(i)	0	0	0	0	0	0	0
	(ii)	383,255	75,000	4,682	9,622	29,143	501,702	0
Robert Uzzo MD	(i)	0	0	0	0	0	0	0
	(ii)	666,346	135,000	12,682	10,000	38,704	862,732	0
Chang Ma	(i)	344,731	600	55,102	22,000	64,481	486,914	0
	(ii)	0	0	0	0	0	0	0
Robert Price	(i)	261,354	6,400	9,644	12,890	52,627	342,915	0
	(ii)	0	0	0	0	0	0	0
Lu Wang	(i)	228,097	0	5,026	22,500	50,229	305,852	0
	(ii)	0	0	0	0	0	0	0
LiLi Chen	(i)	220,976	0	5,951	22,500	33,057	282,484	0
	(ii)	0	0	0	0	0	0	0
Jinsheng Li	(i)	212,247	5,250	5,751	17,000	49,831	290,079	0
	(ii)	0	0	0	0	0	0	0

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134028544

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

2012

Open to Public Inspection

Name of the organization
The American Oncologic Hospital

Employer identification number
23-1352156

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 1	Pursuant to the organization's bylaws, the Executive Committee consists of no less than five members of the Board, including the Chair, the Vice Chair, and the chairs of the Standing Committees The Executive Committee is authorized to act for the Board between its regular meetings

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 4	Significant amendments were made to the organizations articles of incorporation and bylaws to effect its affiliation with Temple University Health System, Inc on July 1, 2012 Temple University Health System Inc became the sole member of the organization

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	The sole member of the organization is Temple Unversity Health System, Inc Effective July 1, 2012, the member has the power to appoint and remove the organizations Board of Directors The approval of the member is required for any of the following actions by the organization, (a) any dissolution or liquidation, (b) any merger, (c) any amendments to the articles of incorporation, (d) any amendments to the bylaws regarding the member, the number of directors, quorum or voting requirements, (e) the sale, pledge, lease (but only a lease from the organization of substantially all of the organizations real property), or other transfer of the assets of the organization other than transactions occurring in the ordinary course of business, (f) any decision resulting in the organizations ceasing to provide appropriate sites for Temple University School of Medicine for cancer care services through the organization, (g) any decision to merge with, acquire or enter into an affiliation with a medical school other than Temple University's or a medical school hospital other than Temple University Hospital, Inc , (h) the deletion of any clinical programs that are needed for the accrediation of Temple University School of Medicine, (i) the adoption of the organizations annual capital and operating budgets, (j) the issuance or assumption of any indebtedness in excess of five hundred thousand ($500,000), and (k) the execution of any contract providing for the management of the organization The Audit and Compliance Committee and the Finance and Investment Committee of Temple University Health System, Inc became the organizations Audit and Compliance Committee and Finance and Investment Committee also Upon dissolution, the organization's assets will be distributed to Temple University Health System, Inc with the exception of land, which reverts back to the yearly meeting

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7a	Please refer to the response for question #6

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7b	Please refer to the response for question #6

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	After review by management and outside tax counsel, the 990 and 990T (if any) are posted to the website of the Secretary's Office Each Board member is contacted and provided with the web address A Board member without internet access is provided a paper copy to review The website and paper mailing have an overview of the 990 and 990T preparation process and internal reviews Each Board member is asked to review the 990 and 990T within 2 weeks and contact the Chief Financial Officer with any questions

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	The Office of the Secretary provides each director and officer with copies of the Conflict of Interest Policy and a disclosure statement to be completed on an annual basis The Office of the Secretary reviews the completed disclosure statement which are then reviewed in summary format by a committee of the Board of Directors and any recommended actions are presented to the full Board of Directors In addition to completing the annual disclosure statement, directors and officers must disclose potential or actual conflicts on an ongoing basis as matters arise All disclosures are evaluated and a determination of whether a conflict exists is made by the Board or a committee of the Board

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15b	There is a compensation committee that reviews and approves all total compensation of executive / key personnel at Temple University Health System through an evaluation performed by an external compensation expert before the compensation is approved

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	The Unaudited Internal Financial Statements of the Temple University Health System and certain of its related organizations are distributed and made available to the public at the end of each quarter per the Systems Continuing Disclosure Aggreement (Series of 2012 Bonds) through Digital Assurance Corp (DAC), the Municipal Services Reporting Board EMMA disclosure site and the Health Systems Financial web site The Annual Audited Financial Statements are also released to the public in the same manner To the extent required by applicable law, the organization makes its governing documents available to the public upon request

Identifier	Return Reference	Explanation
Other Fees	Form 990, Part IX, line 11g	Service Contracts Program service expenses 4,089,678 Management and general expenses 2,514,607 Fundraising expenses 0 Total expenses 6,604,285 Corporate Charges Program service expenses 8,486,149 Management and general expenses -1,485,604 Fundraising expenses 190,900 Total expenses 7,191,445 Other Program service expenses 13,096,578 Management and general expenses 3,274,144 Fundraising expenses 0 Total expenses 16,370,722

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 9	Decrease/Increase in Post Retirement Plan Liability 290,433 Inherent Contribution 5,159,587 Purchase Accounting for Temple Acquisition -37,215,828

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

2012

Open to Public Inspection

Name of the organization
The American Oncologic Hospital

Employer identification number
23-1352156

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

(a) Name, address, and EIN (if applicable) 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" to 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 entity? Yes	No
See Additional Data Table							

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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) Disproprtionate 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" to 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	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) TUHS Insurance Company Inc 3509 N Broad Street 9th Flr Philadelphia, PA 19140	Reinsurance	BD	Temple University Health System Inc				100 000 %		No
(2) Fox Chase Limited 3509 N Broad Street 9th Flr Philadelphia, PA 19140 23-2396731	Health Care	PA	American Oncologic Hospital	C			100 000 %	Yes	

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

			Yes	No
	Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
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 or **(iv)** rent from a controlled entity	**1a**		No
b	Gift, grant, or capital contribution to related organization(s)	**1b**	Yes	
c	Gift, grant, or capital contribution from related organization(s)	**1c**	Yes	
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	Dividends from related organization(s)	**1f**		No
g	Sale of assets to related organization(s)	**1g**		No
h	Purchase of assets from related organization(s)	**1h**		No
i	Exchange of assets with related organization(s)	**1i**		No
j	Lease of facilities, equipment, or other assets to related organization(s)	**1j**	Yes	
k	Lease of facilities, equipment, or other assets from related organization(s)	**1k**	Yes	
l	Performance of services or membership or fundraising solicitations for related organization(s)	**1l**		No
m	Performance of services or membership or fundraising solicitations by related organization(s)	**1m**	Yes	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	**1n**	Yes	
o	Sharing of paid employees with related organization(s)	**1o**	Yes	
p	Reimbursement paid to related organization(s) for expenses	**1p**	Yes	
q	Reimbursement paid by related organization(s) for expenses	**1q**	Yes	
r	Other transfer of cash or property to related organization(s)	**1r**		No
s	Other transfer of cash or property from related organization(s)	**1s**		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-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Institute for Cancer Research	M	30,819	Intercompany journal entries
(2) FCCC Medical Group Inc	M	312,037	Intercompany journal entries
(3) Fox Chase Network Inc	M	737,164	Intercompany journal entries
(4) Fox Chase Limited Inc	M	170,971	Intercompany journal entries

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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 section 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	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-1352156
Name: The American Oncologic Hospital

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

-->

Temple University Health System

Consolidated Financial Statements as of and for the Years Ended June 30, 2013 and 2012, Supplemental Schedules as of and for the Year Ended June 30, 2013, and Independent Auditors' Report

TEMPLE UNIVERSITY HEALTH SYSTEM

TABLE OF CONTENTS

Deloitte

Deloitte & Touche LLP
1700 Market Street
Philadelphia, PA 19103
USA

Tel +1 215 246 2300
Fax +1 215 569 2441
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Temple University Health System, Inc.
Philadelphia, Pennsylvania

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Temple University Health System (a wholly owned subsidiary of Temple University — Of the Commonwealth System of Higher Education) and its subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Health System's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Temple University Health System and its subsidiaries as of June 30, 2013 and 2012, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Emphasis-of-Matter

As discussed in Note 2 to the consolidated financial statements, the Health System adopted the requirements of accounting guidance related to the presentation of the provision for bad debts in the 2013 and 2012 consolidated statements of operations. Our opinion is not modified with respect to this matter.

Report on Supplementary Consolidating Schedules

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The supplementary consolidating schedules on pages 49–56 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and are not a required part of the consolidated financial statements These schedules are the responsibility of the Company's management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements Such schedules have been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, such schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole

Deloitte & Touche LLP

October 23, 2013

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2013 AND 2012
(In thousands)

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 110,936	$ 103,590
Patient accounts receivable — net of allowance for doubtful accounts of $30,165 in 2013 and $23,784 in 2012	148,807	118,707
Other receivables — net of allowance for doubtful accounts of $698 in 2013 and $542 in 2012	40,061	25,482
Inventories and other current assets	33,086	25,235
Current portion of assets limited as to use	46,815	21,610
Investments	204,894	159,804
Current portion of workers' compensation fund	5,960	6,423
Current portion of self-insurance program receivables	1,900	12,200
Expenditures reimbursable by research grants and awards	5,788	-
Total current assets	598,247	473,051
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	13,750	9,008
Buildings	431,534	402,364
Fixed and movable equipment	404,382	366,396
Construction-in-progress	18,764	6,597
	868,430	784,365
Less accumulated depreciation	531,313	521,837
Net property, plant and equipment	337,117	262,528
ASSETS LIMITED AS TO USE	181,923	85,646
INVESTMENTS	32,835	46,414
WORKERS' COMPENSATION FUND	6,847	4,684
ESTIMATED SETTLEMENT WITH THIRD-PARTY PAYORS	1,582	119
SELF-INSURANCE PROGRAM RECEIVABLES	26,373	21,206
GOODWILL AND OTHER INTANGIBLES	24,524	896
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	36,383	20,673
BENEFICIAL INTEREST IN THE ASSETS HELD BY EPISCOPAL FOUNDATION	20,816	18,622
BENEFICIAL INTEREST IN THE ASSETS HELD BY FOX CHASE CANCER CENTER FOUNDATION	41,771	-
OTHER ASSETS	24,948	27,969
TOTAL ASSETS	$ 1,333,366	$ 961,808

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2013 AND 2012
(In thousands)

LIABILITIES AND NET ASSETS	2013	2012
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 10,896	$ 11,029
Accounts payable	72,341	57,982
Accrued expenses	85,162	49,988
Current portion of estimated settlements with third-party payors	2,613	2,744
Current portion of self-insurance program liabilities	39,663	58,669
Unexpended research grants and awards	1,569	-
Other current liabilities	32,562	29,055
Total current liabilities	244,806	209,467
LONG-TERM DEBT	527,352	315,668
ESTIMATED SETTLEMENTS WITH THIRD-PARTY PAYORS	990	502
SELF-INSURANCE PROGRAM LIABILITIES	150,563	121,341
ACCRUED POSTRETIREMENT BENEFITS	50,975	66,328
OTHER LONG-TERM LIABILITIES	29,243	26,535
Total liabilities	1,003,929	739,841
NET ASSETS		
Unrestricted	202,394	178,828
Temporarily restricted	20,863	2,324
Permanently restricted	106,180	40,815
Total net assets	329,437	221,967
TOTAL LIABILITIES AND NET ASSETS	$ 1,333,366	$ 961,808

See notes to consolidated financial statements. (Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(In thousands)

	2013	2012
UNRESTRICTED NET ASSETS:		
Unrestricted revenues and other support:		
Net patient service revenue before allowance for doubtful accounts	$ 1,282,632	$ 971,283
Allowance for doubtful accounts	(20,631)	(14,649)
Total net patient service revenue	1,262,001	956,634
Research revenue	41,573	-
Contribution revenue	7,124	1,602
Other revenue	40,227	29,801
Investment income	841	785
Net assets released from restrictions used for operations	4,135	1,389
Unrestricted revenues and other support	1,355,901	990,211
Expenses:		
Salaries	583,448	403,590
Employee benefits	166,589	111,483
Professional fees	70,942	87,071
Supplies and pharmaceuticals	230,765	154,147
Purchased services and other	141,358	103,387
Maintenance	16,023	14,010
Utilities	24,589	16,675
Leases	19,973	13,791
Insurance	41,732	43,140
Depreciation and amortization	50,810	38,254
Interest	27,226	19,249
Loss on disposal of fixed assets	670	314
Expenses	1,374,125	1,005,111
Operating loss	(18,224)	(14,900)
Other income (loss) — net:		
Investment income	14,690	22,791
Excess of fair value of net assets acquired over consideration paid	8,887	-
Other — net	2,701	(967)
Other income — net	26,278	21,824
Excess of revenues and other support over expenses	8,054	6,924

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(In thousands)

	2013	2012
Excess of revenues and other support over expenses	$ 8,054	$ 6,924
Other changes in unrestricted net assets		
Transfers to the University	(8,554)	(8,829)
Net assets released from restrictions used for purchase of property and equipment	7,688	4,879
Net change in fair value of investments	(6,215)	(12,612)
Interfund transfers	(685)	-
Adjustment to funded status of pension and postretirement liabilities	23,278	(35,024)
Increase (decrease) in unrestricted net assets	23,566	(44,662)
TEMPORARILY RESTRICTED NET ASSETS		
Contribution income	16,819	3,502
Net assets released from restrictions	(11,823)	(6,268)
Net unrealized gain (loss) on investments	312	(58)
Investment income	1,777	37
Interfund transfers	(465)	-
Excess of fair value of net assets acquired over consideration paid	11,919	-
Increase (decrease) in temporarily restricted net assets	18,539	(2,787)
PERMANENTLY RESTRICTED NET ASSETS		
Contribution income	1,415	-
Change in beneficial interest in assets held by Episcopal Foundation	2,194	(548)
Change in beneficial interest in assets held by Fox Chase Cancer Center Foundation	6,412	-
Change in beneficial interest in perpetual trusts	2,404	(810)
Interfund transfers	1,150	-
Excess of fair value of net assets acquired over consideration paid	51,790	-
Increase (decrease) in permanently restricted net assets	65,365	(1,358)
INCREASE (DECREASE) IN NET ASSETS	107,470	(48,807)
NET ASSETS — Beginning of year	221,967	270,774
NET ASSETS — End of year	$ 329,437	$ 221,967

See notes to consolidated financial statements. (Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012
(In thousands)

	2013	2012
OPERATING ACTIVITIES		
Increase (decrease) in net assets from continuing operations	$ 107,470	$ (48,807)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Net realized and unrealized gains on investments	(5,376)	(3,924)
Net realized and unrealized gains (losses) on beneficial interests in perpetual trusts and assets held by Episcopal Foundation and Fox Chase Cancer Center Foundation	(9,880)	1,358
Depreciation, amortization and accretion	49,951	38,254
Excess of fair value of net assets acquired over consideration paid	(72,596)	-
Intangible amortization	895	-
Impairment on intangibles	107	-
Amortization of bond premium and discount	(388)	131
Allowance for doubtful accounts	20,631	14,979
Loss on uncollectible pledges	267	-
Adjustment to funded status of pension and postretirement liabilities	(23,278)	35,024
Fair value adjustment of interest rate swaps	(70)	-
Loss on extinguishment of debt	808	-
Proceeds from contributions and investments restricted to property, plant and equipment and endowments	(7,688)	(3,481)
Loss on disposal of fixed assets	670	314
Permanently restricted gifts and donations received	(1,415)	-
Transfers to the University	8,554	8,829
Changes in operating assets and liabilities	-	-
Patient accounts receivable	(17,714)	(10,004)
Other receivables	(5,545)	3,594
Pledges receivable — net	(4,136)	2
Inventories and other current assets	1,964	(5,334)
Expenditures reimbursable by research grants and awards	(3,338)	-
Other assets	13,756	(3,966)
Accounts payable	(1,839)	12,782
Accrued expenses	7,772	(2,701)
Estimated settlements with third-party payors	(1,106)	(2,158)
Self-insurance program receivables and liabilities	15,349	(10,545)
Unexpended research grants and awards	(6,352)	-
Other liabilities	(12,284)	2,909
Net cash provided by operating activities	55,189	27,256

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012
(In thousands)

	2013	2012
INVESTING ACTIVITIES		
Purchase of AOH assets — net	$ (83,880)	$ -
Increase in restricted assets	(12,719)	-
Purchases of property, plant and equipment	(58,827)	(40,283)
Purchases of investments	(514,675)	(270,306)
Proceeds from sales of investments	405,987	258,018
Proceeds from sale of fixed assets	354	419
Net cash acquired from excess of fair value of net assets acquired over consideration paid	6,953	-
Net cash used in investing activities	(256,807)	(52,152)
FINANCING ACTIVITIES:		
Proceeds from contributions and investments restricted to property, plant and equipment and endowments	7,688	3,481
Repayment of long-term debt	(107,376)	(9,253)
Repayment of capital lease obligations	(3,525)	-
Proceeds from issuance of long-term debt	315,391	2,846
Proceeds from line of credit	3,925	-
Permanently restricted gifts and donations received	1,415	-
Transfers to the University	(8,554)	(8,829)
Net cash provided by (used in) financing activities	208,964	(11,755)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,346	(36,651)
CASH AND CASH EQUIVALENTS — Beginning of year	103,590	140,241
CASH AND CASH EQUIVALENTS — End of year	$ 110,936	$ 103,590
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION — Cash paid for interest	$ 18,361	$ 18,886

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITY

Amounts recorded for purchases of property and equipment in excess of amounts paid were $412,000 and $2,301,000 in 2013 and 2012, respectively.

The cost of assets acquired through capitalized leases in 2013 and 2012 was $59,000 and $364,000, respectively.

See notes to consolidated financial statements. (Concluded)

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Temple University Health System, Inc ("TUHS") is a Pennsylvania nonprofit corporation of which Temple University — Of The Commonwealth System of Higher Education (the "University" or "TU") is the sole member TUHS was incorporated in August 1995 and serves principally to coordinate the activities and plans of its health care subsidiaries in Philadelphia and the surrounding area. TUHS is the sole member of these subsidiaries The subsidiaries and affiliates (herein referred to as "corporate members") of TUHS (collectively, with TUHS, referred to as the "Health System"), all of which operate in Philadelphia and the surrounding area, include the following.

- Temple University Hospital, Inc ("TUH"), a nonprofit corporation, operating a 728-bed acute care teaching hospital with additional outpatient locations in Philadelphia and Montgomery Counties.

- Temple University Health System Foundation ("TUHSF"), a nonprofit corporation, is a wholly owned subsidiary of TUH formed to support the health-care-related activities of TUHS.

- Temple East, Inc ("TE"), a nonprofit corporation, operated a 189-bed acute care hospital doing business as Northeastern Hospital ("NEH") and ceased operations on June 29, 2009 On July 1, 2013, the Corporation was dissolved.

- Temple East Real Estate Inc ("TERE"), a nonprofit corporation, was a title holding, supporting organization that facilitated the provision of health care services of TUH. On July 5, 2012, the Corporation was dissolved.

- Jeanes Hospital ("JH"), a nonprofit corporation, 176-bed acute care hospital located in the Fox Chase section of Philadelphia.

- Episcopal Hospital ("Episcopal"), a nonprofit corporation, providing clinical outpatient health care services.

- Temple Health System Transport Team, Inc ("T3"), a nonprofit corporation, is a critical care ambulance company.

- Temple Physicians, Inc ("TPI"), a nonprofit corporation formed to develop and acquire community-based primary care practices located in the service area of TUHS.

- TUHS Insurance Company, Ltd ("TUHIC"), a captive insurance company established to reinsure the professional liability claims of certain subsidiaries of TUHS TUHS is the beneficial owner of TUHIC which is domiciled in Bermuda.

- On July 1, 2012, TUHS became the sole member of American Oncologic Hospital d/b/a The Hospital of the Fox Chase Cancer Center ("AOH"), a nonprofit corporation, which is a 100 licensed bed specialty hospital that provides advanced inpatient and outpatient care to cancer patients.

- On July 1, 2012, AOH became the sole member of the Institute for Cancer Research d/b/a the Research Institute of Fox Chase Cancer Center ("ICR"), a nonprofit corporation, which is primarily engaged in basic research, including programs in cancer biology, developmental therapeutics, immune cell development and host disease, cancer epigenetics, and cancer prevention and control and is a National Cancer Institute designated Comprehensive Cancer Center,

- On July 1, 2012, AOH became the sole member of Fox Chase Cancer Center Medical Group, Inc. ("MGI"), a nonprofit corporation, that provides physician services to the Fox Chase family of organizations,

- On July 1, 2012, AOH became the sole member of Fox Chase Network, Inc ("Network"), a nonprofit corporation, that provides cancer related clinical and administrative services to cancer programs of community hospitals and physicians,

- On July 1, 2012, AOH became the sole member of FCCC Select, Inc ("Select"), a captive insurance company established to reinsure the general and professional liability claims of the Fox Chase family of corporations Select ceased operations on January 1, 2013 Substantially all of the assets and liabilities of Select were novated to TUHIC upon dissolution, and

- On July 1, 2012, AOH became the sole member of Fox Chase, Ltd ("Limited"), which is a business corporation that holds minority interests in joint ventures with area hospitals

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Health System All significant intercompany transactions and balances have been eliminated in consolidation

Cash and Cash Equivalents — Cash equivalents consist primarily of highly liquid investments, such as money market funds and debt instruments with original maturities of three months or less at the time of purchase At June 30, 2013 and 2012, the Health System had cash balances in financial institutions, which exceed federal depository insurance limits Management believes that credit risks related to these deposits is minimal. Cash and cash equivalents are carried at cost, which approximates market value.

Investments — Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value Investment income or loss (including realized gains and losses, interest, and dividends) is included in other income unless the income is restricted by donor or law, except for investment income on borrowed funds held by trustees as collateral on outstanding debt This investment income is included in unrestricted revenue and other support Unrealized gains and losses on equity securities with readily determinable fair values and all investments in debt securities are excluded from the excess of revenues over expenses unless the amount was recorded as part of the other-than-temporary impairment adjustment as disclosed in Note 7

The Health System also invests in various limited partnerships which are private equity funds Such investments are accounted for on the equity basis of accounting, which approximates fair value as determined by the fund managers and financial information provided by the limited partnership This financial information includes assumptions and methods that were reviewed by the Health System The Health System believes that the estimated fair value is reasonable as of June 30, 2013 and 2012 Because these investments are not readily marketable, the estimated fair values are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market existed, and such differences could be material These investments vary as to their level of liquidity, with differing requirements for notice prior to redemption or withdrawal Investment gains and losses on these funds are included in other income

Investments, in general, are exposed to various risks such as interest rate, credit and overall market volatility As such, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements

The Health System reviews its investments to identify those for which market value is below cost The Health System then makes a determination as to whether investments are other-than-temporarily impaired based on guidelines established in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 320

Assets Limited as to Use — Assets limited as to use primarily include assets held by trustees under indenture and insurance agreements, designated assets set aside by the Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes and donor restricted assets Amounts required to meet current liabilities of the Health System have been classified as current assets in the consolidated balance sheets

Inventories — Inventories are stated at the lower of cost or market

Property, Plant and Equipment — Property, plant and equipment are stated at cost Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method Depreciation expense was $49,808,000 and $38,133,000 for the years ended June 30, 2013 and 2012, respectively Expenditures for maintenance and repairs necessary to maintain property, plant and equipment are charged to operations Costs of renewals and betterments are capitalized The amount of capitalized leases is $14,218,000 and $8,981,000, at June 30, 2013 and 2012, respectively, and is included in the property, plant and equipment balances Amortization of these assets is included with depreciation expense At June 30, 2013 and 2012, the accumulated depreciation balance included $11,069,000 and $5,809,000, respectively, of accumulated amortization of capital leased assets Interest costs incurred on borrowed funds during the period of construction of capital assets, net of interest earned on the unexpended proceeds of tax-exempt borrowings specifically incurred for construction, are capitalized as a component of the cost of acquiring those assets. The amounts of capitalized interest costs for the fiscal years ended June 30, 2013 and 2012 were $2,800,000 and $0, respectively.

Long-Lived Assets Review — The Health System reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable If the carrying value of a long-lived asset is considered impaired, a loss is recognized by which the carrying value exceeds the fair value (less any costs related to disposal or abandonment, if applicable) There was no impairment of long-lived assets recorded during the fiscal years ended June 30, 2013 and 2012

Goodwill and Other Intangibles — Goodwill and other intangible assets are accounted for in accordance with the accounting guidance in FASB ASC Topic 350 for Intangibles — Goodwill and Other Goodwill and indefinite-lived intangible assets are not amortized, but are evaluated for impairment annually or when indicators of a potential impairment are present The Health System's annual impairment date is June 30th The annual evaluation for impairment of goodwill and indefinite-lived intangibles is based on valuation models that incorporate assumptions and internal projections of expected future cash flows and operating plans Based on the results of the Health System's reviews, no impairment loss was recognized in the results of operations for fiscal years ended June 30, 2013 and 2012 Subsequent to the latest review, there have been no events or circumstances that indicate any potential impairment of the Health System's goodwill and indefinite-lived intangible asset balance

The cost of intangible assets with determinable useful lives is amortized to reflect the pattern of economic benefits consumed on a straight-line basis over the estimated periods benefited Patents, technology and other intangibles with contractual terms are generally amortized over their respective legal or contractual lives When certain events or changes in operating conditions occur, an impairment assessment is performed and lives of intangible assets with determinable lives may be adjusted and impairment charges recorded Refer to Note 9 for impairment charges recorded during fiscal year 2013

Asset Retirement Obligations — The Health System recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred, in accordance with FASB ASC Topic 410, if a reasonable estimate of the fair value of the obligation can be made When the liability is initially recorded, the Health System capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset The value of the asset, when established in 2006, was $1,144,000 Over time, the liability is accreted to its present value each period using a discount rate between 5% and 6%, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statement of operations and changes in net assets At June 30, 2013 and 2012, the recorded asset retirement obligation liability is $4,128,000 and $3,080,000, respectively Accretion costs for 2013 and 2012 were $241,000 and $203,000, respectively

Deferred Financing Costs — Deferred financing costs are amortized over the term of the related debt Gross deferred financing costs as of June 30, 2013 and 2012, were $5,911,000 and $2,281,000, respectively Accumulated amortization of deferred financing costs was $633,000 and $1,073,000 as of June 30, 2013 and 2012, respectively Deferred financing costs are reported as other assets

Net Assets — Net assets are categorized according to externally (donor) imposed restrictions A description of the three net asset categories follows

Unrestricted Net Assets — are those assets that are available for the support of operations and whose use is not externally restricted, although their use may be limited by other factors such as by contract or board designation

Temporarily Restricted Net Assets — are those assets whose use by the Health System has been limited by donors to a specific time period or purpose

Permanently Restricted Net Assets — include gifts, trusts and pledges that require by donor restrictions that the corpus be invested in perpetuity, with only the income available for operations or in accordance with donor restrictions

Beneficial Interest in Perpetual Trusts — The Health System is the irrevocable beneficiary of the income from certain perpetual trusts administered by third parties The Health System's beneficial interest is reported at the fair value of the underlying trust assets Because the trusts are perpetual and the original corpus cannot be used, these funds are reported as permanently restricted net assets.

Contracts, Grants and Awards — Income from contracts, grants and awards, including overhead allowances, is recorded as the related direct expenses are incurred Indirect cost revenues on agency grants and contracts are subject to audit and possible adjustment by governmental payors Appropriate allowances are made currently for estimated adjustments to governmental arrangements

Contributions — The Health System records unconditional promises to give (pledges) as receivables and revenues, and distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Upon expiration of donor restrictions, amounts are reclassified as unrestricted and reported as net assets released from restriction.

Performance Indicator — In the accompanying consolidated statements of operations and changes in net assets, the primary indicator of the Health System's results is "Excess of revenues and other support over expenses." Changes in unrestricted net assets which are excluded from the excess of revenues and other support over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods or services, contributions of long lived assets, certain adjustments to pension and postretirement liabilities, and gains and losses related to discontinued operations.

Net Patient Service Revenue and Estimated Settlements with Third-Party Payors — The Health System records gross patient service revenue in the period that the services are rendered. Net patient service revenue before allowance for doubtful accounts represents gross patient service revenue less provisions for contractual adjustments. Payments for services rendered to patients covered by Medicare, Medicaid and other government programs are generally less than billed charges and, therefore, provisions for contractual adjustments are made to reduce gross patient service revenue to the estimated cash receipts based on each program's principles of payment/reimbursement. Estimates of contractual allowances for services rendered to patients covered by commercial insurance, including managed care health plans, are primarily based on the payment terms of contractual arrangements, such as predetermined rates per diagnosis, per diem rates or discounted fee for service rates. In addition, the Health System receives medical assistance payments for the reimbursement of services for charity and uncompensated care services. The federal funding of such costs is subject to an upper payment limit and retrospective settlement. Coinsurance and deductibles within the third-party payer agreements are the patient's responsibility and the Health System considers these amounts in its determination of the allowance for doubtful accounts.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered or when known by the Health System and adjusted in future periods as final settlements or changes in estimates are determined. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term (see Note 4).

Other Revenue — Other revenue includes amounts earned from cafeteria operations, parking garage operations, transport services provided by T3, and other non-patient care services.

Other revenue also includes "meaningful use" payments received from The Centers for Medicare and Medicaid Services ("CMS") relating to certain provisions of the American Recovery and Reinvestment Act of 2009 ("ARRA"). The ARRA defines "meaningful use" of electronic health records ("EHR") technology and makes federal incentive payments to healthcare entities that qualify by demonstrating improved quality, safety and effectiveness of care. Under the Medicare EHR incentive program, providers can earn up to four annual payments that are earned by achieving and maintaining objectives established by CMS. Medicaid providers that are acute care that have at least 10% of patient volume to Medicaid patients may also be eligible for Medicaid EHR payments. Medicaid payment amounts are determined in the first year of participation and "meaningful use" status must be achieved and maintained in subsequent years in order to qualify for additional payments.

The Health System recognizes EHR incentive payments in accordance with the Internal Accounting Standard 20 ("IAS20") Grant Accounting Model. Under the IAS20 Grant Accounting Model, EHR incentive payments are recognized ratably over a compliance period once management is reasonably assured of program compliance for the entire 90-day period (in the first payment year) or 365-day period (in the second through fourth payment years). During fiscal year 2013 and 2012, the Health System recognized $1,328,000 and $800,000, and $2,205,000 and $1,963,000 from Medicare and Medicaid EHR incentive payments, respectively.

Charity Care — The Health System provides care without charge or at a standard rate discounted for uninsured patients that is not related to published charges to patients who meet certain criteria under the Health System's charity care policy. Some patients qualify for charity care based on federal poverty guidelines or their financial condition being such that requiring payment would impose a hardship on the patient. Because the Health System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Income Taxes — Substantially all of the individual members of the Health System are nonprofit corporations and have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. A wholly owned subsidiary, which is currently inactive, in which the Health System exercises control is a for-profit corporation that is subject to federal and state income tax. Such taxes are immaterial and have been reported with other expenses in the accompanying consolidated financial statements.

The Health System's federal Exempt Organization Business Income Tax Returns for 2013, 2012, 2011, and 2010 remain subject to examination by the Internal Revenue Service ("IRS").

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates comprise the allowances for doubtful accounts, contractual allowances, estimated settlements with third-party payors, self-insurance program assets and liabilities, accrued postretirement benefits, estimated asset retirement obligations and the value of alternative investments.

Recovery of FICA Taxes Paid in Prior Years — During 2010, the Health System recognized a recovery of the employer portion of Federal Insurance Contributions Act ("FICA") taxes paid by the Health System during the years 1995 through 2005 on the compensation of its medical residents. The recovery, net of consulting fees, was credited to employee benefits expense. During fiscal year 2013, the Health System received $11,245,000 of the amount owed. In addition, during 2013 the Health System received interest on the reimbursement totaling $3,379,000, which was recorded as a non-operating gain within other income in the consolidated statements of operations.

Recently Issued Accounting Pronouncements — In May 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-04 which amends fair value measurements and disclosures. This amendment provides that the inputs and measures used to value assets that fall within Level 3 of the valuation hierarchy be quantitatively presented as well as various other fair value disclosure requirements. Application is required prospectively for interim and annual periods beginning after December 15, 2011. The Health System adopted the provisions of this amendment beginning July 1, 2012. Other than the enhanced disclosures, this ASU did not have an impact on the Health System's financial position, results of operations or cash flows.

In July 2011, the FASB issued ASU 2011-07 which requires health care entities to present the allowance for bad debts related to patient service revenue as a deduction from patient service revenue in the statement of operations and changes in net assets rather than as an operating expense The guidance provided in this ASU is effective for fiscal years ending after December 15, 2012 Additional disclosures relating to the Health System's sources of patient revenue and its allowance for doubtful accounts related to patient accounts receivable are required The Health System adopted ASU 2011-07 in 2013 and it did not have any impact on the Health System's financial condition, overall results of operations or cash flows All periods presented on the consolidated statements of operations have been reclassified in accordance with the provisions of ASU 2011-07 and the additional required disclosures are noted above and in Note 4.

In July 2012, the FASB issued ASU 2012-02, which relates to testing indefinite-lived intangible assets for impairment Under the new guidance, entities may make a qualitative assessment of the likelihood of goodwill impairment in order to determine whether a detailed quantitative analysis is required This new guidance is effective for annual and interim impairment tests performed for the fiscal years beginning after September 15, 2012 Early adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012 The Health System adopted the new guidance on July 1, 2012, and determined that it did not have an impact on the Health System's financial position, results of operations, or cash flows

In October 2012, the FASB issued ASU 2012-05 which requires a Not-for-Profit Entity to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any NFP-imposed limitations for sale and were converted nearly immediately into cash Application is required prospectively for fiscal years, and interim periods within those years, beginning after June 15, 2013 The Health System is currently assessing the impact the adoption of this ASU will have on its consolidated financial statements

In February 2013, the FASB issued ASU 2013-04 which requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date The guidance in this update also requires an entity to disclose the nature and the amount of the obligation as well as other information about those obligations Application is required for the first annual period ending on or after December 15, 2014 and interim and annual periods thereafter The Health System is currently assessing the impact the adoption of this ASU will have on its consolidated financial statements

In April 2013, the FASB issued ASU 2013-06 which requires a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity Application is required prospectively for fiscal years beginning after June 15, 2014 The Health System is currently assessing the impact the adoption of this ASU will have on its consolidated financial statements

Reclassifications — The Health System has reclassified certain amounts in the consolidated balance sheet, consolidated statement of operations and Note 21 to conform to the 2013 presentation In the consolidated balance sheet, goodwill and other intangibles represents a new financial statement line item as a result of the increase of goodwill and other intangibles arising from the affiliation with AOH In the consolidated statement of operations, the allowance for doubtful accounts is shown as a deduction from patient service revenue rather than as an operating expense as a result of the adoption of ASU 2011-07 In conjunction with this adoption, the allowance for doubtful accounts was removed from functional expenses within Note 21. Also within the consolidated statement of operations, contribution revenue represents a new financial statement line item as a result of the increase of contribution revenue arising from the affiliation with AOH

3. AFFILIATION

TUHS entered into an affiliation agreement with Fox Chase Cancer Center and its affiliates Effective July 1, 2012, TUHS became the sole member of AOH Together with ICR, AOH is a National Cancer Institute-designated Comprehensive Cancer Center located in the Fox Chase section of Philadelphia, Pennsylvania As part of the affiliation, AOH became the sole member of ICR, MGI, Network, Select and Limited See description of entities in Note 1 AOH will significantly expand its outpatient and surgical-care services within its existing facilities and through the use of leased space at neighboring Jeanes Hospital, a member of the Health System since 1996 that offers a full range of medical, surgical and emergency services The contribution to this transaction was an $83,880,000 cash payment made to AOH on July 2, 2012.

In connection with the terms of the affiliation agreement, on July 2, 2012, the Health System issued $311,105,000 aggregate principal Revenue Bonds, a portion of which was used to provide financing for the affiliation. See Note 10 for further information on the bond transaction

Also in connection with the transaction, the Health System incurred incremental expenses related to legal, accounting and valuation services which are reflected in professional fees expenses within our consolidated statements of operations The additional expenses incurred were $342,000 and $1,825,000 for the years ended June 30, 2013 and 2012, respectively

Since TUHS is now the sole member of AOH, TUHS applied acquisition accounting to AOH and their results of operations are included in our consolidated results of operations for the fiscal year ended June 30, 2013

In accordance with the authoritative guidance, the assets and liabilities of AOH were recorded at the fair market value as of the date of the affiliation as follows (in thousands).

Total current assets	$ 61,364
Property, plant and equipment, net	66,325
Goodwill and other intangibles	24,359
Non-current assets	85,025
Total assets acquired	$ 237,073
Total current liabilities	$ 53,033
Non-current liabilities	111,444
Total liabilities assumed	$ 164,477
Unrestricted	$ 8,887
Temporarily restricted	11,919
Permanently restricted	51,790
Net assets acquired	$ 72,596

4. NET PATIENT SERVICE REVENUE

Net patient accounts receivable includes the allowance for doubtful accounts of $30,165,000 and $23,784,000 at June 30, 2013 and 2012, respectively. The allowance for doubtful accounts is estimated based on the Health System's belief that a patient has the ability to pay for services but payment is not expected to be received.

Accounts receivable are written off against the allowance for doubtful accounts when management determines that recovery is unlikely and the Health System ceases collection efforts. Overall, the total self-pay write-offs has not changed significantly for the year ended June 30, 2013. The Health System has not experienced significant changes in write-off trends nor has the Health System changed its charity care policy.

Net patient service revenue recognized from these major payer sources based on primary insurance designation is as follows for the year ended June 30, 2013 (in thousands):

Medicare and Medicaid	$ 826,406
Self-pay	18,587
Other third-party payers	437,639
Total	$ 1,282,632

Net patient service revenue also includes estimates of reimbursement from third-party payers. For the fiscal years ended June 30, 2013 and 2012, net patient service revenue increased by $2,378,000 and $11,599,000, respectively, as a result of settlements related to prior years or changes in estimates related thereto.

5. BUSINESS AND CREDIT CONCENTRATION

The Health System provides diversified health care services primarily to area residents through its inpatient and outpatient care facilities in the Greater Philadelphia Metropolitan Area. As a function of its mission and location, the Health System serves a disproportionately high number of poor or indigent patients, consequently, the Health System derives a substantial portion of its revenue from the Medicare (federal government) and the Medical Assistance (Commonwealth of Pennsylvania, Department of Public Welfare ("DPW") programs).

The dıstrıbutıon of ınpatıent ser\ ıces pro\ ıded from contınuıng operatıons (TUH. JH and AOH) based upon patıent dıscharges (e\cludıng ne\\ borns) b\ class of pa\ or for the \ ears ended June 30. 2013 and 2012. ıs as follo\\ s (unaudıted)

	2013 Discharges	2013 %	2012 Discharges	2012 %
Contınuıng operatıons				
Medıcal assıstance				
Fee for ser\ ıce	4.462	10 8 %	4.001	10 8 %
Managed care	11.304	27 4	11.611	31 3
Total medıcal assıstance	15.766	38 2	15.612	42 1
Medıcare				
Fee for ser\ ıce	9.244	22 5	7.477	20 2
Managed care	7.556	18 3	7.093	19 1
Total Medıcare	16.800	40 8	14.570	39 3
Independence Blue Cross*	5.261	12 8	3.978	10 7
All other	3.381	8 2	2.921	7 9
	41.208	100 0 %	37.081	100 0 %

*Includes Tradıtıonal. Personal Choıce and Ke\ stone Health Plan East ınsurance plans

Health Choıces ıs a DPW program that requıres all Medıcal Assıstance recıpıents ın the Phıladelphıa fı\ e-count\ area to joın a Medıcaıd HMO Under Health Choıces. DPW has entered ınto capıtatıon arrangements \\ ıth fı\ e Medıcaıd HMOs. four of \\ hıch the Health S\ stems contracts \\ ıth. \\ hıch ın turn negotıate separate pa\ ment rates \\ ıth health care pro\ ıders The Medıcal Assıstance-managed care categor\ abo\ e ıncludes the four Medıcaıd HMOs under the Health Choıces program \\ ıth \\ hıch the Health S\ stem contracts

The Health S\ stem grants credıt \\ ıthout collateral to ıts patıents. most of \\ hom are local resıdents and are ınsured under thırd-part\ pa\ or agreements The mı\ of net recei\ ables from thırd-part\ pa\ ors and patıents at June 30. 2013 and 2012. ıs as follo\\ s

	2013	2012
Medıcal assıstance		
Fee for ser\ ıce (FFS)	10 6 %	12 5 %
Managed care	17 2	19 7
Medıcare (FFS onl\ )	13 8	12 2
Independence Blue Cross	22 1	22 0
Aetna U S Healthcare	8 0	7 5
Commercıal	7 5	6 9
Managed care/HMOs (ıncludıng Medıcare)	16 9	17 0
Other	3 9	2 2
	100 0 %	100 0 %

6. CHARITY CARE

The Health System maintains detailed records to identify and monitor the level of charity care it provides to its patients. Charity care costs are estimated by applying an overall cost to charge ratio to charity care charges. The cost to charge ratio is calculated by dividing total expenses less bad debt by total gross patient service revenue. The estimated costs and expenses incurred to provide charity care, including the estimated unreimbursed cost of services in excess of payments from Medical Assistance programs, were $153,007,000 and $148,861,000 for the fiscal years ended June 30, 2013 and 2012, respectively (see Note 19).

7. INVESTMENTS

Assets Limited as to Use — The composition of assets limited as to use at June 30, 2013 and 2012, is set forth in the following table (in thousands):

	2013	2012
Under indenture agreements-held by trustee:		
Debt service funds	$ 15,501	$ 14,433
Debt service reserve funds	50,099	35,333
Construction fund	76,109	-
Capitalized interest fund	4,397	-
	146,106	49,766
Under debt agreements	3,925	163
Under insurance arrangements (primarily TUHIC)	48,308	44,017
Board designated	16,496	8,985
Donor restricted	12,927	3,986
Workers' and unemployment compensation	976	339
	228,738	107,256
Less amounts required for current liabilities	46,815	21,610
	$ 181,923	$ 85,646

By security classification (in thousands):

	2013	2012
U.S. government securities	$ 128,406	$ 54,306
Fixed income mutual funds	394	-
Corporate bonds, notes, and other debt securities	12,830	10,950
Cash, money market funds, and certificates of deposit	85,571	40,313
Equity securities and mutual funds	1,537	1,687
	$ 228,738	$ 107,256

Workers' Compensation Fund — Workers' compensation fund at June 30, 2013 and 2012, consisted of (in thousands)

	2013	2012
U S government securities	$ 7,436	$ 5,793
Corporate bonds, notes, and other debt securities	4,558	5,025
Cash, money market funds, and certificates of deposit	98	289
	$ 12,092	$ 11,107

Investments — Investments at June 30, 2013 and 2012, consisted of (in thousands)

	2013	2012
U S government securities	$ 24	$ -
Fixed income mutual funds	173,650	159,555
Cash, money market funds, and certificates of deposit	-	1,625
Corporate bonds, notes, and other debt securities	268	-
Equity securities and mutual funds	33,075	7,081
Real estate	7,548	-
Alternative funds	10,114	15,486
Limited liability partnerships	11,636	22,005
Limited liability corporations and joint ventures	854	-
Other	560	466
	$ 237,729	$ 206,218

Investment Income — Investment income and gains (losses) from investments, including assets limited as to use and cash and cash equivalents, are comprised of the following for the years ended June 30, 2013 and 2012 (in thousands)

	2013	2012
Interest and dividend income	$ 14,544	$ 9,582
Net realized gains on sales of investments	3,508	15,436
Recognition of other-than-temporary impairment	(744)	(1,405)
Net unrealized losses	(5,903)	(12,670)
	$ 11,405	$ 10,943

Interest, dividends, realized and unrealized gains (losses) are reported as follows (in thousands)

	2013	2012
Consolidated statements of operations and changes in net assets		
Unrestricted revenues — investment income	$ 841	$ 785
Unrestricted other income — investment income	14,690	22,791
Other changes in unrestricted net assets — net change in fair value	(6,215)	(12,612)
Temporarily restricted net assets — net unrealized gains (losses)	312	(58)
Temporarily restricted net assets — investment income	1,777	37
	$ 11,405	$ 10,943

Unrealized gains (losses) are reported as a component of other changes in unrestricted net assets in the consolidated statements of operations and changes in net assets unless their use is restricted by donor

The following tables provide information on the gross unrealized losses and fair market value of the Health System's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2013 and 2012 (in thousands)

	At June 30, 2013					
	Less Than 12 months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U S government securities	$ 24	$ (1)	$ -	$ -	$ 24	$ (1)
Fixed income mutual funds	173,650	(4,029)	-	-	173,650	(4,029)
Corporate bonds, notes, and other debt securities	269	(2)	-	-	269	(2)
Equity securities and mutual funds	33,075	(145)	-	-	33,075	(145)
Total temporarily impaired securities	$207,018	$(4,177)	$ -	$ -	$207,018	$(4,177)

	At June 30, 2012					
	Less Than 12 months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income mutual funds	$ 15,365	$(1,153)	$17,914	$ (3)	$ 33,279	$(1,156)
Total temporarily impaired securities	$ 15,365	$(1,153)	$17,914	$ (3)	$ 33,279	$(1,156)

With respect to the debt and equity securities in an unrealized loss position as of June 30, 2013 and 2012, the Health System has determined it is not more likely than not that the Health System may be required to sell its available-for-sale securities before their anticipated recoveries. In assessing whether it is more likely than not that the Health System will be required to sell a security before its anticipated recovery, the Health System considers various factors including its future cash flow requirements, legal and regulatory requirements, the level of its cash, cash equivalents, short term investments and fixed maturity investments available-for-sale in an unrealized gain position, and other relevant factors

In evaluating credit losses, the Health System considers a variety of factors in the assessment of a security including (1) the time period during which there has been a significant decline below cost, (2) the extent of the decline below cost and par, (3) the potential for the security to recover in value, (4) an analysis of the financial condition of the issuer, (5) the rating of the issuer, and (6) failure of the issuer of the security to make scheduled interest or principal payments

During fiscal years 2013 and 2012, the Health System recorded other-than-temporarily impairment charges of $744,000 and $1,405,000, respectively, on certain investments in debt and equity securities

TUHIC Debt Securities — At June 30, 2012 and 2011, TUHIC held investments in debt securities These securities are included as assets limited as to use in the Health System's consolidated balance sheets The amortized cost and estimated fair value of debt securities at June 30, 2013 and 2012, by contractual maturity, are shown below (in thousands) Expected maturities may differ from contractual maturities because borrowers may have the right to call or repay obligations with or without call or prepayment penalties Gross unrealized holding gains on these securities aggregated $228,000 and $1,103,000 at June 30, 2013 and 2012, respectively Gross unrealized holding losses on these securities aggregated $647,000 and $13,000 at June 30, 2013 and 2012, respectively.

	2013		2012	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due within one year	$ 1,290	$ 1,299	$ 553	$ 559
Due after one year through five years	22,728	22,780	18,572	18,752
Due after five years through ten years	21,196	20,685	18,900	19,570
	45,214	44,764	38,025	38,881
Mortgage and asset-backed securities	3,433	3,463	4,606	4,840
	$48,647	$48,227	$42,631	$43,721

8. PLEDGES

As of June 30, 2013 and 2012, pledges are included in the consolidated financial statements at their net present value, less estimated uncollectible amounts, as follows (in thousands)

	2013	2012
Total value of pledges	$5,695	$ 767
Unamortized discount for gross pledges	(579)	-
Reserve for uncollectible pledges	(213)	-
Reported value for pledges	$4,903	$ 767

The discount rate applied to pledges was 4 4% for 2013 and 0% for 2012

Based upon payment schedules that are either specified by donors or estimated by the Health System, payments on pledges are due as follows (in thousands)

	2013	2012
Amounts due within one year	$1,540	$ 767
Amounts due in two to five years	2,941	-
Amounts due thereafter	422	-
Reported value for pledges	$4,903	$ 767

The current and long-term portion of pledges receivable are presented within other receivables and other assets, respectively, on the consolidated balance sheet

9. GOODWILL AND OTHER INTANGIBLES

At June 30, 2012 the Health System had $896,000 of other intangibles related to the acquisitions of community-based primary care practices by TPI Intangible assets acquired during 2013 relates to goodwill of $524,000 and other intangible assets of $23,834,000 arising from the affiliation with AOH and other intangible assets of $272,000 related to additional acquisitions by TPI

Goodwill and other intangibles at June 30, 2013 and 2012 are summarized as follows (in thousands)

	Goodwill	Other Intangible Assets	Total
Balance at June 30, 2012	$ -	$ 896	$ 896
Adjustments			
Intangible assets acquired	524	24,106	24,630
Impairment	-	(107)	(107)
Amortization	-	(895)	(895)
Balance at June 30, 2013	$ 524	$ 24,000	$ 24,524

At June 30, 2013, the intangible assets with indefinite lives were $15,787,000 There were no intangible assets with indefinite lives at June 30, 2012 The following table summarizes intangible assets with indefinite lives at June 30, 2013 (in thousands)

	Gross	Impairment	Net
AOH trade name	$ 13,803	$ -	$ 13,803
Research and development of intellectual property	1,984	-	1,984
Total intangibles with indefinite lives	$ 15,787	$ -	$ 15,787

At June 30, 2013 and 2012, amortizing intangible assets were $8,213,000 and $896,000, respectively. The following table summarizes amortizing intangible assets at June 30, 2013 and 2012 (in thousands):

2013	Gross	Accumulated Amortization	Impairment	Net
Intellectual property	$ 5,615	$ (412)	$ -	$ 5,203
Contracts and agreements	1,860	(145)	-	1,715
Physician contracts	1,288	(333)	(107)	848
Other	619	(172)	-	447
Total amortizing intangibles	$ 9,382	$ (1,062)	$ (107)	$ 8,213

2012	Gross	Accumulated Amortization	Impairment	Net
Intellectual property	$ -	$ -	$ -	$ -
Contracts and agreements	-	-	-	-
Physician contracts	1,018	(122)	-	896
Other	45	(45)	-	-
Total amortizing intangibles	$ 1,063	$ (167)	$ -	$ 896

The following table summarizes the weighted average lives of intangible assets newly acquired during fiscal year 2013 (in thousands).

	Gross Carrying Amount	Weighted Average Life
Intellectual property	$ 5,615	13.9 years
Contracts and agreements	1,860	13.8 years
Physician contracts	271	4.6 years
Other	573	9.3 years
Total newly acquired intangibles	$ 8,319	

Aggregate amortization expense was $895,000 for the year ended June 30, 2013. Amortization expense for the next five years and thereafter is expected to be as follows (in thousands):

2014	$ 826
2015	826
2016	822
2017	754
2018	635
Thereafter	4,350
Total	$ 8,213

10. LONG-TERM DEBT

Long-term debt at June 30, 2013 and 2012, was as follows (in thousands)

	2013	2012
2012 TUHS Series A and B Hospital Revenue Bonds issued by the Hospitals and Higher Education Facilities Authority of Philadelphia (the "Authority") at fixed interest rates of 5.0%, 5.625%, and 6.25% due in installments through 2043, (net of unamortized bond premium of $4,442 and bond discount of $6,847 at June 30, 2013)	$ 308,700	$ -
2007 TUHS Series A and B Hospital Revenue Bonds, issued by the Authority at fixed interest rates of 5.0% and 5.5%, due in installments through 2035, (net of unamortized bond premium of $661 and $703 and bond discount of $1,358 and $1,445 at June 30, 2013 and 2012, respectively)	210,763	213,293
1993 TUH Hospital Revenue Bonds, issued by the Authority at a fixed interest rate of 6.625%, due in installments through 2023 (net of unamortized bond discount of $0 and $530 at June 30, 2013 and 2012, respectively)	-	102,715
Loan payable to Episcopal Healthcare Foundation due in December 2020 at a fixed interest rate of 4.0%	4,324	4,809
Loan payable to PNC due in September 2013 at a fixed interest rate of 1.44%	3,925	-
Various capital lease obligations due in installments through 2015 at a fixed interest rate of 6.0%	3,027	3,499
Equipment financing arrangement due in installments through 2017 fixed interest rates of 2.12% and 2.32%	7,509	2,381
	538,248	326,697
Less current portion of long-term debt	10,896	11,029
	$ 527,352	$ 315,668

In July 2012, the Health System issued, through the Authority, $311,105,000 aggregate principal Revenue Bonds consisting of $219,210,000 Series A Bonds and $91,895,000 Series B Bonds. The proceeds of the Series A Bonds were used to provide financing for the affiliation and for various capital projects throughout the Health System. The proceeds of the Series B Bonds were used to defease the Authority's outstanding Revenue Bond Series of 1993, resulting in a loss of approximately ($808,000) which has been recorded as a non-operating loss in other income.

In connection with the issuance of the 2012 Bonds, the Health System entered into a line of credit arrangement with a participating bank allowing for outstanding borrowings not to exceed $13,425,000 and maturing in September 2013. Borrowings at June 30, 2013 were $3,925,000.

The bond issues and notes payable are generally collateralized by the assets and gross revenues of the TUHS Obligated Group and are subject to various financial covenants. The TUHS Obligated Group includes TUHS, TUH, JH, TPI, T3, AOH, ICR, MGI and Network. The Health System is not aware of any instances of non-compliance with its debt covenants for fiscal years 2013 and 2012.

At June 30, 2013, total aggregate principal payments under long-term debt and capital lease obligations for the next five years and thereafter are (in thousands)

	Long-Term Debt	Capital Leases
2014	$ 4,726	$ 2,246
2015	4,737	658
2016	12,941	92
2017	13,247	25
2018	12,550	6
Thereafter	486,197	-
Total	$ 534,398	$ 3,027

11. LEASE COMMITMENTS

The Health System leases certain property and equipment under operating lease agreements with remaining terms expiring at various dates through 2044 There are various financial covenants as part of these leases that are calculated based on the individual results of each member Lease expenses for 2013 and 2012 were $19,973,000 and $13,791,000, respectively

At June 30, 2013, future minimum payments by year and in the aggregate under non-cancelable operating leases with initial or remaining terms of more than one year are as follows (in thousands)

2014	$ 14,263
2015	10,865
2016	9,218
2017	8,080
2018	7,343
Thereafter	30,554
Total	$ 80,323

12. INTEREST RATE SWAPS

Interest rate swap agreements are used to manage interest rate risk AOH entered into two unsecured swap agreements with Wells Fargo Bank as summarized below

Inception Date	Notional Amount	AOH Pays	AOH Receives	Maturity Date
January 23, 2002	$8,000,000	4 395% Fixed	70% of USD-LIBOR	February 1, 2017
December 12, 2006	$8,000,000	70% of USD-LIBOR	61 2% of USD-ISDA	February 1, 2017

These agreements had negative fair values of $610,000 as of June 30, 2013 and are included in other long-term liabilities on the consolidated balance sheet The change in fair value of these interest rate swaps is recorded in the consolidated statement of operations as part of non-operating activities.

13. RELATED PARTY TRANSACTIONS

Temple University — The Health System has made various transfers of unrestricted net assets to the University to be used for health-related programs and initiatives In fiscal years 2013 and 2012, \$8,554,000 and \$8,829,000, respectively, in net asset transfers were recognized. All of the 2013 and 2012 transfers were disbursed by June 30, 2013 and 2012, respectively

The Health System and University allocate certain costs for services provided to each other Costs billed to the Health System by the University in 2013 and 2012 include (in thousands)

	Health System Expense	
	2013	2012
Medical school clinical physicians	\$ 35,174	\$ 52,765
Maintenance	7,238	6,862
Telecommunications	4,996	5,224
Institutional support	3,811	4,228
Security	1,790	1,739
Employee tuition	1,061	946
Other administrative support	9,771	10,238
Total expenses billed	\$ 63,841	\$ 82,002

The University also billed the Health System for capital projects in the amount of \$1,488,000 and \$1,080,000 for the years ended June 30, 2013 and 2012, respectively

TUH is the teaching hospital for Temple University School of Medicine and its clinical practice plan physicians ("TUP") TUH purchases administrative, supervisory and teaching physician services from TUP TUH also provides other support to TUP to further the missions of TUH and the medical school These charges are recorded on the consolidated statements of operations and changes in net assets as a professional fee expense.

The Health System charges the University for the cost of services provided to the University Amounts billed to the University in 2013 and 2012 include (in thousands)

	2013	2012
Salaries and fringe benefits, primarily for residents	\$ 7,659	\$ 6,512
Rent	4,619	2,838
Other	7,431	3,242
Total expenses billed to the University	\$ 19,709	\$ 12,592

Such amounts are included as other revenue or a reduction of expenses reported in the consolidated financial statements

At June 30, 2013 and 2012, \$25,145,000 and \$25,065,000, respectively, are due to the University for transactions during those years and are included in accounts payable

Health Partners — TUH and Episcopal are participants and governing members in a Medicaid HMO known as Health Partners ("HP") Under certain of its contracts with HP, the Health System is the beneficiary of, or is responsible for, allocated HP gains and losses, respectively, based primarily on the number of HP members enrolled in the Health System's primary care physicians' network and other factors as approved by the HP board The Health System's percentage allocation was 30% and 33% for the fiscal years ended June 30, 2013 and 2012, respectively

For fiscal years 2013 and 2012, HP's annual premium revenues were approximately $947,124,000 and $1,043,942,000, respectively For fiscal year 2013, the Health System recognized $8,265,000 in total net patient service revenue from HP members The Health System's estimated gains are included in the accompanying consolidated statements of operations and changes in net assets as a component of net patient service revenue

14. MEDICAL PROFESSIONAL LIABILITY AND WORKERS' COMPENSATION INSURANCE

The Health System members participate in the Health System's insurance programs for medical professional liability claims Primary coverage is provided by an insurance company and reinsured to TUHIC

Because primary losses are reinsured through TUHIC, primary losses are essentially self-insured up to certain limits, which are coordinated with statutory excess coverage provided through the Pennsylvania Medical Care Availability and Reduction of Error Fund ("MCare Fund") Also, additional excess liability coverage has been obtained through a commercial insurance carrier

The Health System accrues liabilities for the estimated losses on asserted and unasserted claims The discount rate used in determining the liability at June 30, 2013 and 2012, was 1.25% and 1 00%, respectively The liabilities are comprised of asserted claims for self-insured components of the program and accruals for unasserted claims Asserted claims are specifically identified, with actuarial determination of the ultimate liability on asserted and unasserted claims based on claims settlement history The estimated discounted liability accrued for asserted and unasserted claims for the Health System was $159,958,000 and $157,334,000 at June 30, 2013 and 2012, respectively The estimated liability accrued for asserted and unasserted claims for TUHIC was $35,972,000 and $27,311,000 at June 30, 2013 and 2012, respectively The Health System incurred net medical professional liability insurance expense of $40,886,000 and $41,244,000 in 2013 and 2012, respectively These costs are recorded in the consolidated statement of operations and changes in net assets as insurance expense

The activity in the liability for claims reported and claims incurred but not reported for TUHIC for the years ended June 30, 2013 and 2012, is summarized as follows (in thousands)

	2013	**2012**
Outstanding	$ 13,197	$ 12,220
Incurred but not reported	22,775	15,091
	$ 35,972	$ 27,311
Balance — July 1	$ 27,311	$ 25,498
Incurred related to current year	14,865	11,760
Incurred related to prior year	3,800	4,336
	18,665	16,096
Paid related to current year	336	486
Paid related to prior year	9,668	13,797
	10,004	14,283
Net balance — June 30	$ 35,972	$ 27,311

As a result of changes in estimates of insured events in prior years, loss and loss adjustment expenses relating to prior years have increased by $3,800,000 and $4,337,000 for the years ended June 30, 2013 and 2012, respectively

TUHIC is registered under the Bermuda Insurance Act of 1978, amendments thereto and the Related Regulations (the "Insurance Act") and is obliged to comply with various provisions of the Insurance Act regarding solvency and liquidity The minimum statutory capital and surplus at June 30, 2013 and 2012, was $3,597,000 and $2,731,000, respectively, and the actual statutory capital and surplus was $14,207,000 and $16,979,000, respectively The minimum required level of liquid assets was $30,188,000 and $27,522,000 and actual liquid assets were $54,458,000 and $53,675,000 at June 30, 2013 and 2012, respectively

The Health System is primarily self-insured for workers' compensation Program assets at June 30, 2013 and 2012, were $12,841,000 and $11,107,000, respectively Program liabilities were determined using a discount rate of 2 00% and 1 50% for fiscal years 2013 and 2012, respectively The estimated discounted liability accrued at June 30, 2013 and 2012, was $30,268,000 and $22,676,000, respectively Workers' compensation expense was $6,994,000 and $7,901,000 for fiscal years 2013 and 2012, respectively These costs are recorded in the consolidated statements of operations and changes in net assets as employee benefit expense

As discussed in Note 2, the Health System adopted ASU No 2010-24 during 2012 on a prospective basis, which requires recognition of additional offsetting assets and liabilities on the balance sheet relating to workers' compensation and medical professional liability. The current and long-term asset balances recorded due to this guidance are reflected on the consolidated balance sheet as current portion of self-insurance program receivables and self-insurance program receivables, while the offsetting liabilities are reflected within current portion of self-insurance liabilities and self-insurance liabilities The amounts below are also included in the disclosure of liabilities within this footnote above The balances recorded for the year-ended June 30, 2013 are summarized as follows (in thousands)

	2013			2012		
	Current	Long-Term	Total	Current	Long-Term	Total
Workers' compensation						
Open reserves in excess of retention	$ -	$ 3,604	$ 3,604	$ -	$ 844	$ 844
Incurred but not recorded reserves in excess of retention	-	2,536	2,536	-	2,052	2,052
Professional liability						
Claims settled within the MCare Layer	1,900	-	1,900	12,200	-	12,200
Open reserves within the MCare Layer	-	7,650	7,650	-	5,200	5,200
Incurred but not recorded reserves in excess of the MCare Layer	-	7,080	7,080	-	-	-
Incurred but not recorded reserves in excess of the Buffer Layer	-	5,469	5,469	-	13,110	13,110
	$ 1,900	$ 26,339	$ 28,239	$ 12,200	$ 21,206	$ 33,406

15. PENSION AND OTHER POSTRETIREMENT BENEFITS

The Health System sponsors various defined benefit plans at the individual affiliate level based on prescribed eligibility requirements and certain Health System employees participate in the University's defined benefit plan In addition, certain Health System members participate in the defined contribution retirement plans and defined benefit retirement plans for eligible employees that provide benefits through contributions made by the Health System and its employees Beginning January 1, 2007, the Health System established new defined contribution plans for its employees and no longer actively participated in the University's defined contribution plans Also, on November 1, 2007, the last of the TUHS defined benefit retirement plans was closed to new participants, only certain grandfathered employees are eligible to participate in the defined benefit pension plans These employees are not eligible to participate in the Health System's defined contribution plans

The Health System makes contributions to participants' accounts under the Health System's defined contribution plans based on a defined percentage of the employee's base wages and length of service The Health System contributions to the plans for fiscal years 2013 and 2012 were $21,164,000 and $11,531,000, respectively Contributions to the plans for fiscal year 2014 are expected to be $24,165,000

Multiemployer Plans — Also, certain Health System employees participate in multiemployer pension plans based on collective-bargaining agreements The Health System contributes to two multiemployer pension plans under the terms of collective-bargaining agreements that cover these union-represented employees The risks of participating in these multiemployer plans are different from a single-employer plan in the following aspects

a Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers

b If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers

c If the Health System chooses to stop participating in one or both of its multiemployer plans, the Company may be required to pay that plan(s) an amount based on the underfunded status of the plan(s), referred to as a withdrawal liability

The Health System's participation in these plans for the annual period ended June 30, 2013, is outlined in the table below The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number, if applicable The most recent Pension Protection Act ("PPA") zone status available in 2013 and 2012 is also noted below The zone status is based on information that the Health System received from the plan and is certified by the plan's actuary Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status 2013	2012	FIP/RP Status Pending/ Implemented	Contributions of TUHS 2013	2012	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
The Pension Fund for Hospital and Health Care Employees Philadelphia and Vicinity (1)	23-2627428 001	Yellow	Red	Yes	$3,866,000	$3,361,000	No	Various up to 2018
Central Pension Fund of the International Union of Operating Engineers and Participating Employers (2)	36-6052390 001	Green	Green	No	94,000	98,000	No	November 1, 2013
Total contributions					$3,960,000	$3,459,000		

(1) Plan years began 1 1 12 and 1 1 11
(2) Plan years began 2 1 12 and 2 1 11

The Health System was listed in its plans' 5500 as providing more than 5% of the total contributions for the following plan and plan year

Pension Fund	Year Contributions to the Plan Exceeded More Than 5% of Total Contributions (as of December 31 of the Plan's Year End)
The Pension Fund for Hospital and Health Care Employees — Philadelphia and Vicinity	2012

At the date these financial statements were issued, Forms 5500 were not available for the plan year ending in 2013

Certain Health System employees participate in the University's postretirement health and life insurance plan Benefits begin for eligible employees at age 62, and upon the accumulation of 10 years service

Postretirement Health Care Plan Trends — For measurement purposes, 8 6% and 7 8% annual rates of increase in the per-capita cost of postretirement benefits were assumed for 2013 compared to a rate of 9 2% for 2012 For 2013, these rates are assumed to decrease gradually to 5 0% in 2018 and 4 5% in 2028, respectively, and to remain at those levels thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement benefit plan A one-percentage-point change in assumed health care cost trend rates would have the following effects on the year ended June 30, 2013 (in thousands) for all Health System and University participants

	1% Increase	1% (Decrease)
Incremental effect on total of service and interest cost components	$ 4,940	$ (4,049)
Incremental effect on postretirement benefit obligation	47,481	(40,008)

Defined Benefit Pension, Defined Contribution and Postretirement Benefit Plans — Total defined benefit pension, defined contribution, and other postretirement benefit plans expense under all Health System programs amounted to $31,509,000 and $20,171,000 for the fiscal years ended June 30, 2013 and 2012, respectively

The following table sets forth the activity of the pension and other postretirement benefit plans (which includes the joint Health System and University plans) as of and for the years ended June 30, 2013 and 2012 (dollars in thousands). A measurement date of June 30 is used for the plans.

	Pensions		Other Postretirement Benefit Plan	
	2013	2012	2013	2012
Change in benefit obligation				
Benefit obligation — beginning of year	$173,736	$146,806	$ 367,665	$ 313,303
Affiliation impact	-	-	7,255	-
Service cost	1,519	1,834	16,948	13,801
Interest cost	7,447	8,010	15,831	15,955
Plan participant contributions	195	171	2,614	2,596
Actuarial (gain) loss	(8,227)	24,305	(18,779)	64,837
Benefits paid	(6,814)	(5,996)	(15,990)	(15,996)
Administrative expenses paid	(1,564)	(813)	-	-
Changes in plan provisions	-	-	-	(26,831)
Settlement	-	(581)	-	-
Benefit obligation — end of year	166,292	173,736	375,544	367,665
Change in plan assets				
Fair value of plan assets — beginning of year	135,301	136,187	240,684	228,658
Actual return on plan assets	14,813	2,829	19,790	13,563
Employer contributions	3,599	3,504	15,684	11,863
Plan participant contributions	195	171	2,614	2,596
Plan expenses	(1,564)	(813)	-	-
Benefits paid	(6,814)	(5,996)	(15,990)	(15,996)
Settlement	-	(581)	-	-
Fair value of plan assets — end of year	145,530	135,301	262,782	240,684
Funded status	(20,762)	(38,435)	(112,762)	(126,981)
Less University prepaid (accrued) cost	929	352	(87,060)	(102,235)
Net amount recognized — TUHS Only	$ (21,691)	$ (38,787)	$ (25,702)	$ (24,746)
Amount recognized in the balance sheets, include				
Other noncurrent assets	$ 4,370	$ 2,816	$ -	$ -
Other current liabilities	-	-	(788)	(21)
Accrued postretirement benefits — noncurrent	(26,061)	(41,603)	(24,914)	(24,725)
Net amount recognized — TUHS Only	$ (21,691)	$ (38,787)	$ (25,702)	$ (24,746)

	Pensions		Other Postretirement Benefit Plan	
	2013	2012	2013	2012
Amounts recognized in unrestricted net assets				
Prior service cost (credit)	$ 3	$ 4	$(13,499)	$ -
Net actuarial loss	73,470	90,447	17,308	16,071
Net amount recognized in unrestricted net assets	$ 73,473	$ 90,451	$ 3,809	$ 16,071
Weighted-average assumptions to determine benefit obligation				
Discount rate	4.75%–5.05%	4.30%–4.55%	2.95%–4.80%	2.85%–4.30%
Rate of compensation increase	3.00%–4.00%	4.00%–4.50%	N/A	N/A
Weighted-average assumptions to determine net periodic cost				
Discount rate	4.30%–4.55%	5.45%–5.70%	2.85%–4.3%	3.70%–5.35%
Rate of compensation increase	3.00%–4.00%	4.00–4.50%	N/A	N/A
Expected return on plan assets	7.00%–7.50%	7.00–7.50%	7.50 %	7.50 %
Components of net periodic cost (benefit)				
Service cost	$ 1,519	$ 1,834	$ 16,948	$ 13,801
Interest cost	7,447	8,010	15,831	15,955
Expected return on plan assets	(10,205)	(10,080)	(18,190)	(16,981)
Amortization	2	2	(8,092)	(5,601)
Recognized net actuarial loss	4,816	2,816	10,592	3,498
Net periodic cost (benefit)	3,579	2,582	17,089	10,672
Less University net periodic benefit (cost)	(99)	130	(14,184)	(8,203)
TUHS net periodic cost (benefit)	$ 3,480	$ 2,712	$ 2,905	$ 2,469

The estimated net actuarial loss and net prior service costs for the defined benefit plans that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2014 is $3,878,000 and $2,000, respectively. The estimated net actuarial loss and net prior service credit for the postretirement health and life insurance plan that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2014 is $6,343,000 and $(8,092,000).

After the closure of NEH on June 29, 2009, some participants requested lump-sum cash payments. For the years-ended June 30, 2013 and 2012, the amount of the settlements recognized totaled $0 and $581,000, respectively, which resulted in an actuarial gain of $0 and $71,000, respectively.

Assets Allocations — The following details the Health System's defined benefit plans asset allocations.

Pension Plans Assets	Target Allocation Fiscal Year Ending June 30, 2014	Percentage of Plan Assets at June 30, 2013	Percentage of Plan Assets at June 30, 2012
Equity funds and alternative funds	55–95%	75 %	72 %
Cash and fixed income	5–45%	25	28
Total		100 %	100 %

The following details the University-sponsored pension and other postretirement defined benefit plan asset allocations

Pension and Other Postretirement Benefit Plan Assets	Target Allocation Fiscal Year Ending June 30, 2014	Percentage of Plan Assets at June 30, 2013	Percentage of Plan Assets at June 30, 2012
Equity funds and securities	40–60%	55 %	51 %
Cash and fixed income	40–60%	45	49
Total		100 %	100 %

Investment Strategy — The long-term investment strategy for pension and other postretirement benefit plans assets is to meet present and future benefit obligations to all participants and beneficiaries, cover reasonable expenses incurred to provide such benefits, and provide a total return that maximizes the ratio of assets to liabilities by maximizing investment return at the appropriate level of risk

The pension plans assets of the joint Health System and Temple University plans were $145,531,000 and $135,301,000 at June 30, 2013 and 2012, respectively The fair values of the pension plan assets at June 30, 2013, by asset category are as follows (in thousands)

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 4,113	$ -	$ -	$ 4,113
Equity funds and securities	75,854	26,592	-	102,446
Alternative funds	-	-	6,421	6,421
Fixed income mutual funds	15,506	15,233	-	30,739
US government securities	1,812	-	-	1,812
Total market value	$ 97,285	$ 41,825	$ 6,421	$ 145,531

The fair values of the pension plan assets at June 30, 2012, by asset category are as follows (in thousands)

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,289	$ -	$ -	$ 2,289
Equity funds and securities	70,415	21,305	-	91,720
Alternative funds	-	-	6,094	6,094
Fixed income mutual funds	15,334	-	-	15,334
US government securities	-	19,864	-	19,864
Total market value	$ 88,038	$ 41,169	$ 6,094	$ 135,301

Transfers between Levels 1 and 2 — During the year ended June 30, 2013 and 2012, there were no transfers between Levels 1 and 2.

Transfers into or out of Level 3 — Transfers into or out of Levels are reflected as of the beginning of the period when significant inputs, including market inputs or performance attributes, used for the fair value measurement become observable/unobservable, or when the Health System determines it has the ability, or no longer has the ability, to redeem in the near term certain investments that the Health System values using a NAV (or a capital account)

The following is a reconciliation of investments in securities for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2013

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)							
		Total Realized/Unrealized Gains (Losses) Included in						
	Balance, July 1	Net Income	Net Assets	Purchases	Sales	Transfers Into Level 3	Transfers Out of Level 3	Balance, June 30
Year Ended June 30, 2013								
Alternative funds	$6,094	$ 35	$ 463	$ 5	$(176)	$ -	$ -	$6,421
Total investments	$6,094	$ 35	$ 463	$ 5	$(176)	$ -	$ -	$6,421

The following is a reconciliation of investments in securities for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2012

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)							
		Total Realized/Unrealized Gains (Losses) Included in						
	Balance, July 1	Net Income	Net Assets	Purchases	Sales	Transfers Into Level 3	Transfers Out of Level 3	Balance, June 30
Year Ended June 30, 2012								
Alternative funds	$1,770	$ 22	$(173)	$ -	$(143)	$5,774	$(1,156)	$6,094
Total investments	$1,770	$ 22	$(173)	$ -	$(143)	$5,774	$(1,156)	$6,094

Detailed information for Level 2 and Level 3 investments as of June 30, 2013 and 2012, follows The fair values of these investments have been estimated using a net asset value equivalent (e g ownership interest in partners' capital to which a proportionate share of net assets is attributable)

	Fair Value (In Thousands)	Unfunded Commitments (In Thousands)	Redemption Frequency (If Currently Eligible)	Redemption Notice Period (If Applicable)
Year Ended June 30, 2013				
Multi-Strategy Hedge Funds (a)	$26,830	$ -	Daily,Quarterly	0–95 days
Real Estate Funds (b)	3,479	-	Quarterly	45 days
	$30,309	$ -		
Year Ended June 30, 2012				
Multi-Strategy Hedge Funds (a)	$24,327	$ -	Daily,Quarterly	0–95 days
Real Estate Funds (b)	3,072	-	Quarterly	45 days
	$27,399	$ -		

(a) This category includes investments that seek to earn above-average, risk adjusted, long-term returns that have a low correlation to traditional equity and fixed income markets The investments include futures contracts, call options, warrants and structured products all of which are referenced as derivative instruments

(b) This category includes investments that maintain exposure to real estate and natural resources through public and private investments whose value is strongly controlled by commodities and real estate and may act as a hedge against unanticipated inflation

The postretirement plan assets of the joint Health System and Temple University were $262,782,000 and $240,684,000 at June 30, 2013 and 2012, respectively, of which only a portion of this pool of assets belongs to the Health System. The fair values of the postretirement plan assets at June 30, 2013, by asset category are as follows (in thousands):

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 14,265	$ -	$ -	$ 14,265
Equity funds and securities	124,703	23,296	-	147,999
U.S. government securities	11,076	-	-	11,076
Fixed income index funds	-	89,442	-	89,442
Total market value	$ 150,044	$ 112,738	$ -	$ 262,782

The fair values of the postretirement plan assets at June 30, 2012, by asset category are as follows (in thousands):

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 4,141	$ -	$ -	$ 4,141
Equity funds and securities	98,969	27,114	-	126,083
U.S. government securities	12,483	-	-	12,483
Fixed income index funds	-	97,977	-	97,977
Total market value	$ 115,593	$ 125,091	$ -	$ 240,684

Expected Return on Plan Assets — The expected long-term rate of return for the plans' total assets is based on the expected return of each of the above investment categories, weighted based on the median of the target allocation for each class. Equity securities are expected to return 7% to 10% over the long-term, while fixed income is expected to return between 3% and 5%.

Expected Cash Flows — The following table shows expected cash flows related to the defined benefit pension and other postretirement benefit plans (in thousands):

	Pension Plans TU/Health System	Other Postretirement Benefit Plan TU/Health System
Expected Health System contributions for fiscal year ending June 30, 2014:		
Expected employer contributions	$ 2,981	$ 15,288
Expected employee contributions	176	2,614
Estimated future benefit payments from plan assets reflecting expected future service for the fiscal year ending		
June 30, 2014	7,742	19,014
June 30, 2015	8,249	20,042
June 30, 2016	8,704	20,861
June 30, 2017	9,208	22,098
June 30, 2018	9,671	23,100
June 30, 2019 to June 30, 2023	54,010	127,374

16. ENDOWMENT

The Health System's endowment consists of several funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law — The Health System classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present, and (b) the original value of the subsequent gifts to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present. The remaining portion of the donor-restricted endowment fund comprised of accumulated investment earnings not required to be maintained in perpetuity is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Health System in a manner consistent with the donor's stipulations. The Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: duration and preservation of the fund, purposes of the donor-restricted endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the Health System, and the investment policies of the Health System.

Endowment net asset composition by type of fund as of June 30, 2013 (in thousands):

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 9,760	$ 7,210	$ 16,970

Endowment net asset composition by type of fund as of June 30, 2012 (in thousands):

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 900	$ 1,520	$ 2,420

Changes in endowment net assets for the fiscal years ended June 30, 2012 and 2013 (in thousands):

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — June 30, 2011	$ 1,475	$ 1,520	$ 2,995
Contributions			
Investment return — investment loss	(20)	-	(20)
Appropriations of endowment assets for expenditure	(555)	-	(555)
Endowment net assets — June 30, 2012	900	1,520	2,420
Assets acquired from affiliation	8,393	2,398	10,791
Contributions	51	3,254	3,305
Investment return — investment loss	2,145	38	2,183
Appropriations of endowment assets for expenditure	(1,729)	-	(1,729)
Endowment net assets — June 30, 2013	$ 9,760	$ 7,210	$ 16,970

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Health System to retain as a fund of perpetual duration. There were no such deficiencies at June 30, 2013 and 2012.

Investment Return Objectives and Spending Policy — The Health System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner to generate returns at least equal to and preferably greater than the consumer price index plus 4.5%. To satisfy its long-term rate-of-return objectives, the Health System targets a diversified asset allocation that places a greater emphasis on equity based investments within prudent risk constraints.

The Health System has a policy of appropriating for distribution each year 2% to 7% of its endowment fund's average fair value over the prior three years. The Board of Directors approved an appropriation of 4.5% for each of the years ended June 30, 2013 and 2012.

17. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets were held for the following purposes at June 30, 2013 and 2012 (in thousands).

	2013	2012
Property and equipment additions	$ 1,150	$ 1,099
Specific health care programs	19,713	1,225
	$ 20,863	$ 2,324

Permanently restricted net assets consist of the following at June 30, 2013 and 2012 (in thousands).

	2013	2012
Endowment funds, income from which is expendable for specific health care programs (income is temporarily restricted)	$ 7,210	$ 1,520
Beneficial interest in perpetual trusts, income from which is expendable to support health care services (income reported as unrestricted)	36,383	20,673
Beneficial interest in assets held by Episcopal Foundation	20,816	18,622
Beneficial interest in assets held by Fox Chase Cancer Center Foundation	41,771	-
	$ 106,180	$ 40,815

The Episcopal Healthcare Foundation (the "EH Foundation") controls certain investments that, according to its organizational structure, are held for the benefit of TUH's Episcopal campus operations. TUH has recognized the fair market value of investments held by the EH Foundation as an asset (beneficial interest in the assets held by Episcopal Foundation) and permanently restricted net assets of $20,816,000 and $18,622,000 at June 30, 2013 and 2012, respectively.

The Fox Chase Cancer Center Foundation (the "FCCC Foundation") controls certain investments that, according to its organizational structure, are held for the benefit of ICR's research operations and AOH's clinical operations ICR and AOH have recognized the fair market value of investments held by the FCCC Foundation as an asset (beneficial interest in the assets held by Fox Chase Cancer Center Foundation) and permanently restricted net assets of $41,771,000 at June 30, 2013

As reported by the respective trustees, the composition of the above funds in which the Health System has a beneficial interest is approximately 79% and 63% marketable equity securities and 21% and 37% fixed income securities at June 30, 2013 and 2012, respectively

18. COMMITMENTS AND CONTINGENCIES

The Commonwealth of Pennsylvania owns the land on which certain TUH facilities are located. The land is leased to the University for a term ending December 31, 2043, for a nominal rent The University subleases these facilities to TUH.

The Friends Fiduciary Corporation owns the land that JH facilities are located The land is leased to JH for a term ending June 30, 2044, for a nominal rent

JH has committed to making $219,000 in additional investments at June 30, 2013, into partnerships (a private equity fund and a real estate fund), which may be requested through capital calls from the partnerships Detail regarding the unfunded commitments is disclosed in Note 20

TUHIC holds cash and investments in debt securities in the amount of $48,308,000 and $44,018,000 as of June 30, 2013 and 2012, respectively, which are being held in trust in order to secure TUHIC's liabilities under certain reinsurance contracts

In addition, the Health System is involved in litigation and regulatory investigations arising in the course of business After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Health System's financial position, results of operations, or cash flows

19. COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF PUBLIC WELFARE GRANTS AND OTHER SUPPORT

The following grants and support relate mainly to providing access to health care services including care for the uninsured and indigent population (See Note 6 — "Charity Care") For the fiscal years ended June 30, 2013 and 2012, the Health System received grants from the Commonwealth of Pennsylvania's Department of Public Welfare in the amounts of $35,264,000 and $19,539,000, respectively Also, the Health System received Commonwealth funding for inpatient and outpatient disproportionate share and other funding, primarily from the proceeds from the tobacco settlement In fiscal years 2013 and 2012, the disproportionate share payments received by the Health System amounted to $28,983,000 and $28,232,000, respectively, funding for the Academic Health Center amounted to $6,402,000 and $6,515,000, respectively, funding for medical education amounted to $12,485,000 and $12,450,000, respectively, and other funding received amounted to $14,398,000 and $19,653,000, respectively These amounts are included in net patient service revenue in the accompanying consolidated statements of operations and changes in net assets There is no guarantee that this funding will continue in future years Under certain circumstances, the Health System could be required to repay certain of the grants received from the Commonwealth Management believes that the likelihood of such repayment is remote

20. FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, which defines fair value, provides a framework for measuring fair value, and expands disclosures required for fair value measurements

FASB ASC Topic 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability As a basis for considering market participant assumptions in fair value measurements, FASB ASC Topic 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumption about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

FASB ASC Topic 820 classifies the inputs used to measure fair value into the following hierarchy.

Level 1 — Level 1 inputs are quoted prices in active markets for identical assets or liabilities as of the reporting date Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis

Level 2 — Level 2 inputs include the following.

- Quoted prices in active markets for similar assets or liabilities
- Quoted prices in markets that are not active for identical or similar assets or liabilities
- Inputs other than quoted prices, that are observable for the asset or liability
- Inputs that are derived primarily from or corroborated by observable market data by correlation or other means

Level 3 — Level 3 inputs are unobservable inputs for the asset or liability

The following table sets forth, by level within the fair value hierarchy, the financial assets and liabilities recorded at fair value on a recurring basis and its equity method alternative investments as of June 30, 2013 (in thousands)

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets limited as to use				
U S government securities	$ 39,636	$ 88,770	$ -	$128,406
Fixed income mutual funds	394	-	-	394
Corporate bonds, notes, and other debt securities	-	12,830	-	12,830
Cash, money market funds, and certificates of deposit	84,597	974	-	85,571
Equity securities and mutual funds	1,537	-	-	1,537
	126,164	102,574	-	228,738
Workers' compensation fund				
U S government securities	5,999	1,437	-	7,436
Corporate bonds, notes, and other debt securities	-	4,558	-	4,558
Cash, money market funds, and certificates of deposit	98	-	-	98
	6,097	5,995	-	12,092
Investments				
U S government securities	24	-	-	24
Fixed income mutual funds	173,650	-	-	173,650
Corporate bonds, notes, and other debt securities	-	268	-	268
Equity securities and mutual funds	33,075	-	-	33,075
Real estate	-	7,548	-	7,548
Alternative funds	-	731	9,383	10,114
Limited liability partnerships	-	7,054	3,577	10,631
	206,749	15,601	12,960	235,310
Beneficial interest in perpetual trusts	-	-	36,383	36,383
Beneficial interest in the assets held by Episcopal Foundation	-	-	20,816	20,816
Beneficial interest in the Fox Chase Cancer Center Foundation	-	-	41,771	41,771
Total assets	$339,010	$124,170	$111,930	$575,110
Liabilities				
Interest rate swaps	$ -	$ 610	$ -	$ 610
Total liabilities	$ -	$ 610	$ -	$ 610

The following table sets forth, by level within the fair value hierarchy, the financial assets recorded at fair value on a recurring basis and its equity method alternative investments as of June 30, 2012 (in thousands)

Assets	Level 1	Level 2	Level 3	Total
Assets limited as to use				
U S government securities	$ 30,710	$23,596	$ -	$ 54,306
Corporate bonds, notes, and other debt securities	-	10,950	-	10,950
Cash and money market funds	40,313	-	-	40,313
Equity securities and mutual funds	1,687	-	-	1,687
	72,710	34,546	-	107,256
Workers' compensation fund				
U S government securities	3,578	2,215	-	5,793
Corporate bonds, notes, and other debt securities	-	5,025	-	5,025
Cash and money market funds	289	-	-	289
	3,867	7,240	-	11,107
Investments				
Fixed income mutual funds	159,555	-	-	159,555
Cash and money market funds	1,625	-	-	1,625
Equity mutual funds	7,081	-	-	7,081
Alternative funds	-	-	15,486	15,486
Limited liability partnerships	-	11,205	9,788	20,993
	168,261	11,205	25,274	204,740
Beneficial interest in perpetual trusts	-	-	20,673	20,673
Beneficial interest in the assets held by Episcopal Foundation	-	-	18,622	18,622
Total	$244,838	$52,991	$64,569	$362,398

Transfers between Levels 1 and 2 — During the year ended June 30, 2013 and 2012, there were no transfers between Levels 1 and 2

Transfers into or out of Level 3 — Transfers in and/or out of Levels are reflected as of the beginning of the period when significant inputs, including market inputs or performance attributes, used for the fair value measurement become observable/unobservable, or when the Health System determines it has the ability, or no longer has the ability, to redeem in the near term certain investments that the Health System values using a NAV (or a capital account) For the year ended June 30, 2013, all transfers in relate to the affiliation Refer to Note 3 for further information related to the affiliation

The following is a reconciliation of financial instruments for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2013

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)							
		Total Realized/Unrealized Gains (Losses) Included in				Transfer	Transfer	
	July 1, 2012	Net Income (Loss)	Net Asset	Purchases	Sales	Into Level 3	Out of Level 3	June 30, 2013
Year ended June 30, 2012								
Assets — investments								
Alternative funds	$15,486	$1,222	$ -	$ -	$ (6,594)	$ -	$(731)	$ 9,383
Limited liability partnerships	9,788	918	-	66	(7,195)	-	-	3,577
Total investments	$25,274	$2,140	$ -	$ 66	$(13,789)	$ -	$(731)	$12,960
Beneficial interest in perpetual trusts	$20,673	$ -	$1,309	$ -	$ -	$14,401	$-	$36,383
Beneficial interest in the assets held by Episcopal Foundation	$18,622	$ -	$2,194	$ -	$ -	$ -	$-	$20,816
Beneficial interest in Fox Chase Cancer Center Foundation	$ -	$ -	$ -	$ -	$ -	$41,771	$-	$41,771

The following is a reconciliation of financial instruments for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2012

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)						
		Total Realized/Unrealized Gains (Losses) Included in				Transfer	
	July 1, 2011	Net Income (Loss)	Net Asset	Purchases	Sales	Out of Level 3	June 30, 2012
Year ended June 30, 2012							
Assets — investments							
Alternative funds	$ 9,857	$ (34)	$ -	$ 6,750	$(1,087)	$ -	$15,486
Limited liability partnerships	11,048	393	-	422	(2,075)	-	9,788
Total investments	$20,905	$ 359	$ -	$ 7,172	$(3,162)	$ -	$25,274
Beneficial interest in perpetual trusts	$21,483	$ -	$ (810)	$ -	$ -	$ -	$20,673
Beneficial interest in the assets held by Episcopal Foundation	$19,170	$ -	$ (548)	$ -	$ -	$ -	$18,622

U.S. government securities, money market funds, equity securities and mutual funds classified as Level 1 are measured using quoted market prices

Marketable debt securities classified as Level 1 were classified as such due to the usage of observable market prices for identical securities that are traded in active markets These debt securities primarily include US Treasury Bonds

The marketable debt securities classified as Level 2 were classified as such due to the usage of observable market prices for similar securities that are traded in less active markets or when observable market prices for identical securities are not available, marketable debt instruments are priced using non-binding market consensus prices that are corroborated with observable market data, quoted market prices for similar instruments, or pricing models, such as a discounted cash flow model, with all significant inputs derived from or corroborated with observable market data These debt securities primarily include government bonds, corporate bonds, notes and other debt securities

The alternative investments classified as Level 3 were classified as such due to the lack of observable market data These investments include equity funds, mutual funds and limited liability partnerships that are valued by the fund manager based on the pro-rata interest in the net assets of the underlying investments which approximates fair value and by financial information provided by the limited partnerships In accordance with ASU 2009-12, however, those investments that are measured at net asset value per share and are redeemable at the measurement date are classified as Level 2.

The estimated fair values of the Health System's beneficial interest in perpetual trusts and in the assets held by Episcopal Foundation are classified as Level 3 due to lack of observable market data Currently there is no market in which beneficial interest in trusts are traded and as such, no observable exit price exists for these assets. The fair values are determined based on information provided by the trustees.

Interest rate swaps classified as Level 2 are valued using techniques including discounted cash flow analysis on the expected cash flows of each derivative This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves The valuation incorporates credit valuation adjustments to appropriately reflect both our nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements In adjusting the fair value for the effect of nonperformance risk, the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees, was considered The majority of the inputs used fall within Level 2 of the fair value hierarchy, the credit valuation adjustments utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties However, as of June 30, 2013, the credit valuation adjustments are not significant to the overall valuation As a result, the valuations in their entirety are appropriately classified in Level 2

Detailed information for Level 2 and Level 3 investments as of June 30, 2013 and 2012, follows The fair values of these investments have been estimated using a net asset value equivalent (e g ownership interest in partners' capital to which a proportionate share of net assets is attributable)

	Fair Value (In thousands)	Unfunded Commitments (In thousands)	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (if Applicable)
Year ended June 30, 2013				
Multi-Strategy Hedge Funds (a)	$ 9,931	$ -	Annual, Quarterly	45–95 days
Distressed Debt Hedge Funds (b)	331	-		
Long/Short Hedge Funds (c)	383	-	Annual	95 days
Private Equity Funds (d)	1,296	167		
Stock Funds (e)	731	-		
Real Estate Funds (g)	8,073	52	Monthly	45 days
	$ 20,745	$ 219		
Year ended June 30, 2012				
Multi-Strategy Hedge Funds (a)	$ 15,991	$ -	Tri-annual, Quarterly	45–95 days
Distressed Debt Hedge Funds (b)	489	-		
Long/Short Hedge Funds (c)	3,674	-	Annual	95 days
Private Equity Funds (d)	1,631	119		
Stock Funds (e)	3,284	-	Annual, Monthly	6–90 days
Global/Macro Hedge Funds (f)	3,760	-	Monthly	10 days
Real Estate Funds (g)	7,650	195	Monthly	45 days
	$ 36,479	$ 314		

(a) This category includes investments in hedge funds that use a variety of strategies These strategies may include long/short equity, long/short credit, event-driven, capital structure arbitrage, fixed income arbitrage, credit of distressed companies, and restructuring and underpriced companies The remaining restriction period for these investments ranged from three to twelve months

(b) This category includes investments in hedge funds that invest in debt obligations of distressed companies at a discount and sell the obligations following reorganization or restructuring of the companies In September 2010, Private Advisors Distressed Opportunities Fund notified the Health System that the fund has begun liquidation Investors are no longer eligible for voluntary redemptions

(c) This category includes investments in hedge funds that invest with managers or private investment funds that take short positions and long positions in equity securities and use leverage to augment the effects of stock selection Investments in this category can be redeemed annually

(d) This category includes investments in private equity partnerships whose strategy is to add 5% in value comparable public investments and that will be in the top 25% of comparable private equity managers In 2012, investments in this category could not be redeemed until November 2020 subject to two one year extensions In 2013, investments representing 98% of the value of the investments in this category cannot be redeemed

(e) This category includes investments (typically through traditional, long-only stock managers) that maintain (beta) exposure to stocks and achieve (alpha) value added of at least 2% per year over a passive portfolio Investments in this category are not currently eligible for redemption

(f) This category includes investment in a broad diversity of asset classes and geographic markets They may invest in equity, global fixed income, currency and commodity sectors

(g) This category includes investments that maintain exposure to real estate and natural resources through public and private investments whose value is strongly controlled by commodities and real estate and may act as a hedge against unanticipated inflation In 2013 and 2012, investments representing approximately 1% and 19%, respectively, in this category cannot be redeemed until the termination of the funds These termination dates range from December 2013 to December 2015

The fair value of the Health System's Pension assets is disclosed in Note 15.

The following methods and assumptions were used by the Health System in estimating fair value for disclosures in the consolidated financial statements

Long-Term Debt — The fair value of long-term debt is based on quoted market prices or is estimated using discounted cash flow analyses for similar types of borrowing arrangements based on incremental borrowing rates The carrying and fair values of long-term debt, excluding capital lease obligations, the Episcopal Healthcare Foundation debt and equipment financing arrangements at June 30, 2013, are $519,463,000 and $525,209,000 respectively The carrying and fair values of long-term debt, excluding capital lease obligations, the Episcopal Healthcare Foundation debt, payables from lines of credit and equipment financing arrangements at June 30, 2012, are $316,008,000 and $314,456,000, respectively

Other — Cash and cash equivalents, patient and other accounts receivable, and all other current assets and liabilities are reported at amounts that approximate fair value due to the relatively short period to maturity

21. FUNCTIONAL EXPENSES

The Health System provides general health care services to residents within its geographic location Expenses related to providing these services are as follows (in thousands)

	2013	2012
Health care services	$ 1,046,145	$ 825,907
Research	42,072	-
General and administrative	283,730	179,204
Institutional Support	2,178	-
	$ 1,374,125	$ 1,005,111

22. SUBSEQUENT EVENTS

The Health System has evaluated subsequent events through October 23, 2013, the date the financial statements were issued There were no additional subsequent events requiring recording or disclosure in the consolidated financial statements

* * * * * *

SUPPLEMENTAL SCHEDULES

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2013
(In thousands)

	Temple University Hospital, Inc	Jeanes Hospital	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc	Fox Chase Network, Inc	Temple Physicians Inc	Temple Health System Transport Team, Inc	TUHS Parent Company (1)	Obligated Group Eliminations	Obligated Group Consolidated
ASSETS											
CURRENT ASSETS											
Cash and cash equivalents	$ 40 915	$ 1 641	$ 1 695	$ 5 251	$ 666	$ 6	$ 1 538	$ 349	$ 42 326	$ -	$ 94 387
Patient accounts receivable — net of allowance for doubtful accounts	93 640	14 403	-	29 733	5 327	-	5 704	-	-	-	148 807
Other receivables — net of allowance for doubtful accounts	27 699	2 167	1 476	1 034	659	734	167	501	4 494	-	38 931
Inventories and other current assets	15 972	4 974	1 197	5 220	14	-	302	13	1 108	-	28 800
Current portion of assets limited as to use	-	-	7 034	7 139	43	-	-	-	31 164	-	45 380
Investments	136 044	24 249	-	22	-	-	-	-	15 509	-	175 824
Current portion of workers compensation fund	5 229	476	-	-	-	-	50	-	-	-	5 755
Current portion of self-insurance program receivables	-	-	-	-	-	-	-	-	1 900	-	1 900
Expenditures reimbursable by research grants and awards	-	-	5 788	-	-	-	-	-	-	-	5 788
Due from affiliates — current portion	13 672	5 086	3 115	35 057	508	1 948	3 680	103	13 028	(75 777)	420
Total current assets	333 171	52 996	20 305	83 456	7 217	2 688	11 441	966	109 529	(75 777)	545 992
PROPERTY PLANT AND EQUIPMENT											
Land and land improvements	5 574	1 785	1 056	5 083	-	-	-	-	9	-	13 507
Buildings	280 620	79 828	7 877	23 178	-	-	4 038	-	23 617	-	419 158
Fixed and movable equipment	263 079	45 134	14 631	16 964	171	-	5 805	485	58 109	-	404 378
Construction-in-progress	2 901	290	12 645	2 563	-	-	-	-	365	-	18 764
	552 174	127 037	36 209	47 788	171	-	9 843	485	82 100	-	855 807
Less accumulated depreciation	362 728	100 333	4 025	6 425	70	-	4 645	459	43 304	-	521 989
Net property plant and equipment	189 446	26 704	32 184	41 363	101	-	5 198	26	38 796	-	333 818
ASSETS LIMITED AS TO USE	3 775	367	-	-	-	-	-	-	130 629	-	134 771
INVESTMENTS	14 675	7 571	8 251	2 059	-	-	-	-	37	-	32 593
WORKERS' COMPENSATION FUND	4 934	775	-	-	-	-	130	176	-	-	6 015
ESTIMATED SETTLEMENT WITH THIRD PARTY PAYOR	-	-	-	1 582	-	-	-	-	-	-	1 582
SELF-INSURANCE PROGRAM RECEIVABLES	15 607	2 257	-	43	60	-	4 001	-	26 339	(21 934)	26 373
INVESTMENT IN TUHIC	-	-	-	-	-	-	-	-	14 215	-	14 215
GOODWILL AND INTANGIBLES	-	-	7 188	14 249	-	2 239	848	-	-	-	24 524
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	5 132	16 219	14 400	-	-	-	-	-	-	-	35 751
BENEFICIAL INTEREST IN ASSETS HELD BY EPISCOPAL FOUNDATION	20 816	-	-	-	-	-	-	-	-	-	20 816
BENEFICIAL INTEREST IN THE ASSETS HELD BY FOX CHASE CANCER CENTER FOUNDATION	-	-	37 040	4 731	-	-	-	-	-	-	41 771
DUE FROM AFFILIATES	16 862	-	-	-	-	-	-	-	342 320	(359 182)	-
OTHER ASSETS	11 566	506	5 476	1 035	24	-	68	-	5 748	-	24 423
TOTAL ASSETS	$615 984	$107 395	$124 844	$148 518	$7 402	$4 927	$21 686	$1 168	$667 613	$(456 893)	$1 242 644

(1) TUHS Parent Company accounts for its investment in TUHIC under the equity method The remaining entities are accounted for at cost

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2013
(In thousands)

	Temple East, Inc	Episcopal Hospital	TUHS Insurance Company, Ltd	TUHS Foundation	Fox Chase Limited	Fox Chase Select	Non-Obligated Group Eliminations	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	$ 182	$ 3 865	$ 1 531	$10 971	$ -	$ -	$ -	$ 16 549	$ -	$ 110 936
Patient accounts receivable — net of allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	148 807
Other receivables — net of allowance for doubtful accounts	-	726	364	40	-	-	-	1 130	-	40 061
Inventories and other current assets	-	23	4 263	-	-	-	-	4 286	-	33 086
Current portion of assets limited as to use	55	-	1 380	-	-	-	-	1 435	-	46 815
Investments	-	4 902	-	24 168	-	-	-	29 070	-	204 894
Current portion of workers compensation fund	205	-	-	-	-	-	-	205	-	5 960
Current portion of self-insurance program receivables	-	-	-	-	-	-	-	-	-	1 900
Expenditures reimbursable by research grants and awards	-	-	-	-	-	-	-	-	-	5 788
Due from affiliates — current portion	-	181	-	-	4	-	-	185	(605)	-
Total current assets	442	9 697	7 538	35 179	4	-	-	52 860	(605)	598 247
PROPERTY PLANT AND EQUIPMENT										
Land and land improvements	12	231	-	-	-	-	-	243	-	13 750
Buildings	111	12 265	-	-	-	-	-	12 376	-	431 534
Fixed and movable equipment	-	4	-	-	-	-	-	4	-	404 382
Construction-in-progress	-	-	-	-	-	-	-	-	-	18 764
	123	12 500	-	-	-	-	-	12 623	-	868 430
Less accumulated depreciation	32	9 292	-	-	-	-	-	9 324	-	531 313
Net property plant and equipment	91	3 208	-	-	-	-	-	3 299	-	337 117
ASSETS LIMITED AS TO USE	224	-	46 928	-	-	-	-	47 152	-	181 923
INVESTMENTS	-	-	-	-	242	-	-	242	-	32 835
WORKERS' COMPENSATION FUND	832	-	-	-	-	-	-	832	-	6 847
ESTIMATED SETTLEMENT WITH THIRD PARTY PAYOR	-	-	-	-	-	-	-	-	-	1 582
SELF-INSURANCE PROGRAM RECEIVABLES	6 523	-	-	-	-	-	-	6 523	(6 523)	26 373
INVESTMENT IN TUHIC	-	-	-	-	-	-	-	-	(14 215)	-
GOODWILL AND INTANGIBLES	-	-	-	-	-	-	-	-	-	24 524
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	632	-	-	-	-	-	-	632	-	36 383
BENEFICIAL INTEREST IN ASSETS HELD BY EPISCOPAL FOUNDATION	-	20 816	-	-	-	-	-	20 816	(20 816)	20 816
BENEFICIAL INTEREST IN THE ASSETS HELD BY FOX CHASE CANCER CENTER FOUNDATION	-	-	-	-	-	-	-	-	-	41 771
DUE FROM AFFILIATES	-	-	-	-	-	-	-	-	-	-
OTHER ASSETS	-	525	-	-	-	-	-	525	-	24 948
TOTAL ASSETS	$8 744	$34 246	$54 466	$35 179	$246	$ -	$ -	$132 881	$(42 159)	$1 333 366

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2013
(In thousands)

LIABILITIES AND NET ASSETS	Temple University Hospital, Inc	Jeanes Hospital	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc	Fox Chase Network, Inc	Temple Physicians Inc	Temple Health System Transport Team, Inc	TUHS Parent Company (1)	Obligated Group Eliminations	Obligated Group Consolidated
CURRENT LIABILITIES											
Current portion of long-term debt	$ 1,249	$ 158	$ -	$ 4,726	$ -	$ -	$ -	$ -	$ 4,259	$ -	$ 10,392
Accounts payable	45,832	5,279	6,395	10,290	1,075	-	130	17	1,724	-	70,742
Accrued expenses	33,427	6,827	3,220	11,718	3,024	-	2,922	204	40,046	(12,246)	89,142
Current portion of estimated settlements with third-party payors	2,350	263	-	-	-	-	-	-	-	-	2,613
Current portion of self-insurance program liabilities	22,374	932	165	1,738	38	-	424	-	2,078	-	27,749
Unexpended research grants and awards	-	-	1,514	55	-	-	-	-	-	-	1,569
Due to affiliates — current portion	12,718	5,692	34,705	4,942	1,279	1,129	1,849	456	13,235	(75,777)	228
Other current liabilities	9,863	2,984	247	443	80	-	593	-	13,352	-	27,562
Total current liabilities	127,813	22,135	46,246	33,912	5,496	1,129	5,918	677	74,694	(88,023)	229,997
LONG-TERM DEBT	469	43	-	269	-	-	-	-	522,752	-	523,533
ESTIMATED SETTLEMENTS WITH THIRD-PARTY PAYORS	-	990	-	-	-	-	-	-	-	-	990
SELF-INSURANCE PROGRAM LIABILITIES	65,913	16,991	651	4,669	1,140	-	12,291	254	26,769	(9,688)	118,990
ACCRUED POSTRETIREMENT BENEFITS	22,969	9,518	1,686	3,025	547	-	-	-	-	-	37,745
DUE TO AFFILIATES	209,115	46,740	10,485	75,981	-	-	-	-	16,861	(359,182)	-
OTHER LONG-TERM LIABILITIES	16,532	1,199	2,490	2,825	118	108	-	-	2,526	-	25,798
Total liabilities	442,811	97,616	61,558	120,681	7,301	1,237	18,209	931	643,602	(456,893)	937,053
NET ASSETS (DEFICIT)											
Unrestricted	143,399	(6,702)	(5,088)	16,251	101	3,690	3,477	237	24,006	-	179,371
Temporarily restricted	2,515	186	14,019	4,083	-	-	-	-	5	-	20,808
Permanently restricted	27,259	16,295	54,355	7,503	-	-	-	-	-	-	105,412
Total net assets (deficit)	173,173	9,779	63,286	27,837	101	3,690	3,477	237	24,011	-	305,591
TOTAL LIABILITIES AND NET ASSETS	$615,984	$107,395	$124,844	$148,518	$7,402	$4,927	$21,686	$1,168	$667,613	$(456,893)	$1,242,644

(1) TUHS Parent Company accounts for its investment in TUHIC under the equity method. The remaining entities are accounted for at cost.

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2013
(In thousands)

LIABILITIES AND NET ASSETS	Temple East, Inc	Episcopal Hospital	TUHS Insurance Company, Ltd	TUHS Foundation	Fox Chase Limited	Fox Chase Select	Non-Obligated Group Eliminations	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
CURRENT LIABILITIES										
Current portion of long-term debt	$ -	$ 504	$ -	$ -	$ -	$ -	$ -	$ 504	$ -	$ 10,896
Accounts payable	-	99	-	1,500	-	-	-	1,599	-	72,341
Accrued expenses	-	348	29	-	-	-	-	377	(4,357)	85,162
Current portion of estimated settlements with third-party payors	-	-	-	-	-	-	-	-	-	2,613
Current portion of self-insurance program liabilities	580	-	11,334	-	-	-	-	11,914	-	39,663
Unexpended research grants and awards	-	-	-	-	-	-	-	-	-	1,569
Due to affiliates — current portion	32	174	-	-	171	-	-	377	(605)	-
Other current liabilities	409	341	4,250	-	-	-	-	5,000	-	32,562
Total current liabilities	1,021	1,466	15,613	1,500	171	-	-	19,771	(4,962)	244,806
LONG-TERM DEBT	-	3,819	-	-	-	-	-	3,819	-	527,352
ESTIMATED SETTLEMENTS WITH THIRD-PARTY PAYORS	-	-	-	-	-	-	-	-	-	990
SELF-INSURANCE PROGRAM LIABILITIES	6,935	2,166	24,638	-	-	-	-	33,739	(2,166)	150,563
ACCRUED POSTRETIREMENT BENEFITS	3,290	9,940	-	-	-	-	-	13,230	-	50,975
DUE TO AFFILIATES	-	-	-	-	-	-	-	-	-	-
OTHER LONG-TERM LIABILITIES	1,673	22,588	-	-	-	-	-	24,261	(20,816)	29,243
Total liabilities	12,919	39,979	40,251	1,500	171	-	-	94,820	(27,944)	1,003,929
NET ASSETS (DEFICIT)										
Unrestricted	(4,998)	(5,733)	14,215	33,679	75	-	-	37,238	(14,215)	202,394
Temporarily restricted	55	-	-	-	-	-	-	55	-	20,863
Permanently restricted	768	-	-	-	-	-	-	768	-	106,180
Total net assets (deficit)	(4,175)	(5,733)	14,215	33,679	75	-	-	38,061	(14,215)	329,437
TOTAL LIABILITIES AND NET ASSETS	$ 8,744	$34,246	$54,466	$35,179	$246	$ -	$ -	$132,881	$(42,159)	$1,333,366

(Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(In thousands)

	Temple University Hospital, Inc	Jeanes Hospital	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc	Fox Chase Network, Inc	Temple Physicians Inc	Temple Health System Transport Team, Inc	TUHS Parent Company (1)	Obligated Group Eliminations	Obligated Group Consolidated
UNRESTRICTED NET ASSETS											
Unrestricted revenues and other support											
Net patient service revenue before allowance for doubtful accounts	$ 820 483	$ 142 645	$ -	$ 248 307	$ 32 780	$ -	$ 42 174	$ -	$ -	$ (5,065)	$ 1 281 324
Allowance for doubtful accounts	(12 161)	(3 422)	-	(3 490)	(783)	-	(775)	-	-	-	(20 631)
Total net patient service revenue	808 322	139 223	-	244 817	31 997	-	41 399	-	-	(5,065)	1 260 693
Research revenue	-	-	41 573	-	-	-	-	-	-	-	41 573
Contribution revenue	459	10	6 265	142	-	-	-	-	248	-	7 124
Other revenue	18 083	6 921	1 060	1 330	3 867	2 326	15 346	4 448	90 478	(104,399)	39 460
Investment income	-	-	-	-	-	-	-	-	841	-	841
Net assets released from restrictions used for operations	245	21	3 534	335	-	-	-	-	-	-	4 135
Unrestricted revenues and other support	827 109	146 175	52 432	246 624	35 864	2 326	56 745	4 448	91 567	(109,464)	1 353 826
Expenses											
Salaries	302 665	60 901	40 465	73 432	39 004	707	39 922	3 494	20 778	1,347	582 715
Employee benefits	91 386	17 669	11 655	22 605	6 670	147	7 713	856	5 729	423	164 853
Professional fees	55 743	13 017	510	4 643	130	200	1 467	-	6 956	(11,648)	71 018
Supplies and pharmaceuticals	130 470	25 964	6 249	62 164	100	2	2 237	146	3 271	1	230 604
Purchased services and other	133 298	25 585	4 552	33 309	921	239	4 762	1 012	11 598	(74,270)	141 006
Maintenance	12 038	2 832	-	-	-	-	148	28	729	-	15 775
Utilities	12 246	1 732	4 136	3 269	-	-	986	53	1 638	-	24 060
Leases	11 968	1 106	208	4 122	-	-	3 038	1 458	4 514	(4,070)	22 344
Insurance	26 483	582	173	160	3 937	-	7 801	38	4	495	39 673
Depreciation and amortization	24 123	6 190	4 438	6 557	70	145	1 506	28	7 017	-	50 074
Interest	11 962	2 718	916	5 590	55	-	-	-	27 545	(21,742)	27 044
Loss (gain) on disposal of fixed assets	290	428	6	4	-	-	(5)	-	38	-	761
Expenses	812 672	158 724	73 308	215 855	50 887	1 440	69 575	7 113	89 817	(109,464)	1 369 927
Operating gain (loss)	14 437	(12 549)	(20 876)	30 769	(15 023)	886	(12 830)	(2 665)	1 750	-	(16 101)
Other income — net											
Investment income	7 614	4 945	795	(10)	41	-	299	4	(556)	-	13 132
Excess of fair value of net assets acquired over consideration paid	-	-	3 405	64	(11)	2 804	-	-	-	-	6 262
Other (loss) income	2 352	-	-	479	-	-	-	-	-	-	2 831
Other income — net	9 966	4 945	4 200	533	30	2 804	299	4	(556)	-	22 225
Excess (deficiency) of revenues and other support over expenses from continuing operations	24 403	(7 604)	(16 676)	31 302	(14 993)	3 690	(12 531)	(2 661)	1 194	-	6 124

(1) TUHS Parent Company accounts for its investment in TUHIC under the equity method The remaining entities are accounted for at cost

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(In thousands)

	Temple East, Inc	Episcopal Hospital	TUHS Insurance Company, Ltd	TUHS Foundation	Fox Chase Limited	Fox Chase Select	Non-Obligated Group Eliminations	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
UNRESTRICTED NET ASSETS										
Unrestricted revenues and other support										
Net patient service revenue before allowance for doubtful accounts	$ 292	$ 1 016	$ -	$ -	$ -	$ -	$ -	$ 1 308	$ -	$ 1 282,632
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	(20,631)
Total net patient service revenue	292	1 016	-	-	-	-	-	1 308	-	1 262,001
Research revenue	-	-	-	-	-	-	-	-	-	41,573
Contribution revenue	-	-	-	-	-	-	-	-	-	7,124
Other revenue	53	3 084	16 531	-	-	1 404	(4 786)	16 286	(15 519)	40,227
Investment income	-	-	-	-	-	-	-	-	-	841
Net assets released from restrictions used for operations	-	-	-	-	-	-	-	-	-	4,135
Unrestricted revenues and other support	345	4 100	16 531	-	-	1 404	(4 786)	17 594	(15 519)	1 355,901
Expenses										
Salaries	23	710	-	-	-	-	-	733	-	583,448
Employee benefits	812	924	-	-	-	-	-	1 736	-	166,589
Professional fees	4	(80)	-	-	-	-	-	(76)	-	70,942
Supplies and pharmaceuticals	-	161	-	-	-	-	-	161	-	230,765
Purchased services and other	(42)	262	102	-	-	131	-	453	(101)	141,358
Maintenance	-	248	-	-	-	-	-	248	-	16,023
Utilities	-	529	-	-	-	-	-	529	-	24,589
Leases	-	-	-	-	-	-	-	-	(2 371)	19,973
Insurance	2 344	327	18 800	-	-	792	(4 786)	17 477	(15 418)	41,732
Depreciation and amortization	3	733	-	-	-	-	-	736	-	50,810
Interest	-	182	-	-	-	-	-	182	-	27,226
Loss (gain) on disposal of fixed assets	-	(91)	-	-	-	-	-	(91)	-	670
Expenses	3 144	3 905	18 902	-	-	923	(4 786)	22 088	(17 890)	1 374,125
Operating gain (loss)	(2 799)	195	(2 371)	-	-	481	-	(4 494)	2 371	(18,224)
Other income — net										
Investment income	188	43	655	1 308	(108)	127	(155)	2 058	(500)	14,690
Excess of fair value of net assets acquired over consideration paid	-	-	-	-	183	2 442	-	2 625	-	8,887
Other (loss) income	-	(130)	-	-	-	-	-	(130)	-	2,701
Other income — net	188	(87)	655	1 308	75	2 569	(155)	4 553	(500)	26,278
Excess (deficiency) of revenues and other support over expenses from continuing operations	(2 611)	108	(1 716)	1 308	75	3 050	(155)	59	1 871	8,054

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(In thousands)

	Temple University Hospital, Inc	Jeanes Hospital	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc	Fox Chase Network, Inc	Temple Physicians, Inc	Temple Health System Transport Team, Inc	TUHS Parent Company (1)	Obligated Group Eliminations	Obligated Group Consolidated
Excess (deficiency) of revenues and other support over expenses from continuing operations	$ 24 403	$ (7 604)	$(16 676)	$ 31,302	$(14 993)	$3 690	$(12 531)	$(2 661)	$ 1 194	$ -	$ 6 124
Other changes in unrestricted net assets											
Transfers (to) from affiliates the University	(27 354)	(7 000)	6 607	(15,227)	15 042	-	16 221	2 292	6 087	-	(3 332)
Net assets released from restrictions used for	-	-	-	-		-	-	-	-	-	
purchase of property and equipment	1 948	130	5 605	-	-	-	-	-	-	-	7 683
Net change in fair value of investments	(1 449)	(1 340)	(82)	(133)	-	-	(2)	(2)	(1 940)	-	(4 948)
Interfund transfers	-	-	(704)	19	-	-	-	-	-	-	(685)
Adjustment to funded status of pension and postretirement liabilities	9 673	5 914	162	290	52	-	-	-	-	-	16 091
Increase (decrease) in unrestricted net assets	7 221	(9 900)	(5 088)	16,251	101	3 690	3 688	(371)	5 341	-	20 933
TEMPORARILY RESTRICTED NET ASSETS											
Contribution income	2 401	138	13 169	1,107	-	-	-	-	4	-	16 819
Net assets released from restrictions	(2 193)	(151)	(9 139)	(335)	-	-	-	-	-	-	(11 818)
Net unrealized gains on investments	204	-	92	16	-	-	-	-	-	-	312
Investment income	38	-	1 537	202	-	-	-	-	-	-	1 777
Interfund transfers	-	-	(446)	(19)	-	-	-	-	-	-	(465)
Excess of fair value of net assets acquired over consideration paid	-	-	8 807	3,112	-	-	-	-	-	-	11 919
Increase (decrease) in temporarily restricted net assets	450	(13)	14 020	4,083	-	-	-	-	4	-	18 544
PERMANENTLY RESTRICTED NET ASSETS											
Contribution income	-	-	263	1,152	-	-	-	-	-	-	1 415
Change in beneficial interest in assets held by Episcopal Foundation	20 194	-	-	-	-	-	-	-	-	-	20 194
Change in beneficial interest in assets held by Fox Chase Cancer Center Foundation	-	-	5 669	743	-	-	-	-	-	-	6 412
Change in beneficial interest in perpetual trusts	237	1 040	1 090	-	-	-	-	-	-	-	2 367
Interfund transfers	-	-	1 150	-	-	-	-	-	-	-	1 150
Affiliate transfers	-	-	(3 625)	3,625	-	-	-	-	-	-	-
Excess of fair value of net assets acquired over consideration paid	-	-	49 807	1,983	-	-	-	-	-	-	51 790
Increase in permanently restricted net assets	20 431	1 040	54 354	7,503	-	-	-	-	-	-	83 328
INCREASE (DECREASE) IN NET ASSETS	28 102	(8 873)	63 286	27,837	101	3 690	3 688	(371)	5 345	-	122 805
NET ASSETS (DEFICIT) — Beginning of year	163 071	18 652	-	-	-	-	(211)	608	18 666	(16 987)	183 799
NET ASSETS (DEFICIT) — End of year	$191 173	$ 9 779	$ 63 286	$ 27,837	$ 101	$3 690	$ 3 477	$ 237	$24 011	$(16 987)	$306 604

(1) TUHS Parent Company accounts for its investment in TUHIC under the equity method The remaining entities are accounted for at cost

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013
(In thousands)

	Temple East, Inc	Episcopal Hospital	TUHS Insurance Company, Ltd	TUHS Foundation	Fox Chase Limited	Fox Chase Select	Non-Obligated Group Eliminations	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
Excess (deficiency) of revenues and other support over expenses from continuing operations	$(2 611)	$ 108	$ (1 716)	$ 1,308	$75	$ 3 050	$(155)	$ 59	$1 871	$ 8 054
Other changes in unrestricted net assets										
Transfers (to) from affiliates the University	2 641	-	-	(4,813)	-	(3 050)	-	(5 222)	-	(8 554)
Net assets released from restrictions used for purchase of property and equipment	5	-	-	-	-	-	-	5	-	7 688
Net change in fair value of investments	(7)	(117)	(1 056)	(1,143)	-	-	-	(2 323)	1 056	(6 215)
Interfund transfers	-	-	-	-	-	-	-	-	-	(685)
Adjustment to funded status of pension and postretirement liabilities	2 193	4 994	-	-	-	-	-	7 187	-	23 278
Increase (decrease) in unrestricted net assets	2 221	4 985	(2 772)	(4,648)	75	-	(155)	(294)	2 927	23 566
TEMPORARILY RESTRICTED NET ASSETS										
Contribution income	-	-	-	-	-	-	-	-	-	16 819
Net assets released from restrictions	(5)	-	-	-	-	-	-	(5)	-	(11 823)
Net unrealized gains on investments	-	-	-	-	-	-	-	-	-	312
Investment income	-	-	-	-	-	-	-	-	-	1 777
Interfund transfers	-	-	-	-	-	-	-	-	-	(465)
Excess of fair value of net assets acquired over consideration paid	-	-	-	-	-	-	-	-	-	11 919
Increase (decrease) in temporarily restricted net assets	(5)	-	-	-	-	-	-	(5)	-	18 539
PERMANENTLY RESTRICTED NET ASSETS										
Contribution income	-	-	-	-	-	-	-	-	-	1 415
Change in beneficial interest in assets held by Episcopal Foundation	-	-	-	-	-	-	-	-	-	2 194
Change in beneficial interest in assets held by Fox Chase Cancer Center Foundation	-	-	-	-	-	-	-	-	-	6 412
Change in beneficial interest in perpetual trusts	37	-	-	-	-	-	-	37	-	2 404
Interfund transfers	-	-	-	-	-	-	-	-	-	1 150
Affiliate transfers	-	-	-	-	-	-	-	-	-	-
Excess of fair value of net assets acquired over consideration paid	-	-	-	-	-	-	-	-	-	51 790
Increase in permanently restricted net assets	37	-	-	-	-	-	-	37	-	65 365
INCREASE (DECREASE) IN NET ASSETS	2 253	4 985	(2 772)	(4,648)	75	-	(155)	(262)	2 927	107 470
NET ASSETS (DEFICIT) — Beginning of year	(6 428)	(10 718)	16 987	38,327	-	-	-	38 168	-	221 967
NET ASSETS (DEFICIT) — End of year	$(4 175)	$ (5 733)	$14 215	$33,679	$75	$ -	$(155)	$37 906	$2 927	$329 437

(Concluded)