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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

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
GOOD SHEPHERD REHABILITATION NETWORK

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
GOOD SHEPHERD PLAZA 850 S 5TH ST

City or town, state or country, and ZIP + 4
ALLENTOWN, PA 18103

D Employer identification number
23-2216041

E Telephone number
(610) 776-3228

G Gross receipts $ 76,831,606

F Name and address of principal officer
RONALD J PETULA
GOOD SHEPHERD PLAZA 850 S 5TH ST
ALLENTOWN, PA 18103

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW GOODSHEPHERDREHAB ORG

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

L Year of formation 1909

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO ENHANCE LIVES, MAXIMIZE FUNCTION, INSPIRE HOPE, AND PROMOTE DIGNITY AND WELL-BEING

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	258
6	Total number of volunteers (estimate if necessary)	**6**	205
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	217,287
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	215,788

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	5,046,851	4,971,002
9	Program service revenue (Part VIII, line 2g)	45,276,786	46,453,509
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,108,258	8,885,525
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,157,987	1,447,670
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	54,589,882	61,757,706
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,884,894	1,825,893
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)	27,746,002	30,652,209
16a	Professional fundraising fees (Part IX, column (A), line 11e)	39,000	39,000
b	Total fundraising expenses (Part IX, column (D), line 25) ▶2,330,817		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	26,888,128	24,981,567
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	56,558,024	57,498,669
19	Revenue less expenses Subtract line 18 from line 12	-1,968,142	4,259,037

Revenue / Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	292,454,771	316,871,170
21	Total liabilities (Part X, line 26)	161,762,198	157,213,798
22	Net assets or fund balances Subtract line 21 from line 20	130,692,573	159,657,372

Net Assets or Fund Balances

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

****** | 2014-05-13
Signature of officer | Date

RONALD J PETULA VP FINANCE
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JULIUS C GREEN CPA JD				P00350393

Firm's name ▶ PARENTEBEARD LLC | Firm's EIN ▶ 23-2932984

Firm's address ▶ 1650 MARKET STREET SUITE 4500
PHILADELPHIA, PA 19103 | Phone no (215) 972-0701

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

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

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 $ 37,230,562 including grants of $ 1,825,893) (Revenue $ 46,453,509)

GOOD SHEPHERD REHABILITATION NETWORK ("GSRN"), BASED IN ALLENTOWN,PENNSYLVANIA IS A NATIONALLY RECOGNIZED REHABILITATION LEADER, OFFERING A CONTINUUM OF CARE FOR PEOPLE WITH PHYSICAL AND COGNITIVE DISABILITIES AND SPECIALIZING IN ASSISTIVE AND REHABILITATION TECHNOLOGY FOR THE 2013 FISCAL YEAR, 59,842 PEOPLE RECEIVED CARE AT GOOD SHEPHERD REHABILITATION NETWORK THIS INCLUDED 40,687 IN THE GREATER LEHIGH VALLEY AREA AND 19,155 IN THE GREATER PHILADELPHIA AREA SPECIALIZED INPATIENT AND OUTPATIENT POST-ACUTE CARE PROGRAMS OFFERED BY GSRN INCLUDE STROKE, ORTHOPEDICS, BRAIN INJURY, SPINE AND JOINT PAIN, SPINAL CORD INJURY, PEDIATRICS, MULTIPLE SCLEROSIS AND AMPUTATION GOOD SHEPHERD OPERATES 23 OUTPATIENT SITES, 5 INPATIENT SITES, A LONG-TERM ACUTE CARE HOSPITAL, 2 LONG-TERM CARE HOMES FOR PEOPLE WITH SEVERE DISABILITIES, AND AN INDEPENDENT LIVING FACILITY GOOD SHEPHERD ALSO IS THE MAJORITY OWNER OF A JOINT VENTURE WITH PENN MEDICINE IN PHILADELPHIA, PENNSYLVANIA GOOD SHEPHERD PENN PARTNERS ("GSPP") PROVIDES THE PHILADELPHIA REGION WITH A CONTINUUM OF POST-ACUTE CARE THAT INCLUDES INPATIENT AND OUTPATIENT REHABILITATION AND LONG-TERM ACUTE CARE TWELVE GSPP PENN THERAPY & FITNESS LOCATIONS PROVIDE OUTPATIENT REHABILITATION SERVICES THROUGHOUT THE GREATER PHILADELPHIA AREA, WHILE PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPY SERVICES ARE PROVIDED WITHIN PENN MEDICINE'S THREE ACUTE-CARE HOSPITALS GSRN WAS FOUNDED IN 1908 WHEN THE REV JOHN AND ESTELLA RAKER INVITED A DISABLED ORPHAN NAMED VIOLA INTO THEIR ALLENTOWN, PENNSYLVANIA HOME GSRN IS AFFILIATED WITH THE EVANGELICAL LUTHERAN CHURCH IN AMERICA AND PROVIDES REHABILITATION SERVICES AT MORE THAN 30 LOCATIONS IN 8 EASTERN PENNSYLVANIA COUNTIES GSRN PROVIDES MANAGEMENT SERVICES IN SUPPORT OF THE REHABILITATION HEALTH-CARE MISSION OF ITS TAX-EXEMPT AFFILIATES GOOD SHEPHERD'S MISSION IS "MOTIVATED BY THE DIVINE GOOD SHEPHERD AND THE PHYSICAL AND COGNITIVE REHABILITATION NEEDS OF OUR COMMUNITIES, OUR MISSION IS TO ENHANCE LIVES, MAXIMIZE FUNCTION, INSPIRE HOPE, AND PROMOTE DIGNITY AND WELL-BEING WITH EXPERTISE AND COMPASSION "GSRN IS THE PARENT ORGANIZATION OF 6 TAX-EXEMPT AFFILIATES THAT OFFER MANY LEVELS OF REHABILITATION CARE GSRN IS ALSO THE PARENT ORGANIZATION OF ONE TAXABLE AFFILIATE THAT IS A SELF-INSURANCE COMPANY AS THE PARENT ORGANIZATION, GSRN OPERATES ALL CORPORATE ADMINISTRATIVE FUNCTIONS FOR THE GOOD SHEPHERD AFFILIATES, INCLUDING BUT NOT LIMITED TO ADMINISTRATION, DIETARY, FINANCE, FUNDRAISING, HUMAN RESOURCES, INFORMATION SYSTEMS, MAINTENANCE, MARKETING, AND PASTORAL CARE

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 37,230,562

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		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *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	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *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	Yes	
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	Yes	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

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**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**	Yes	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *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**	Yes	
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**		No
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 . . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	304		
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	258		
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			No
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, 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** 18		
	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** 13		
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**		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**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**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ PA , FL , MN

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ 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 ▶ RONALD J PETULA VP FINANCE GOOD SHEPHERD PLAZA 850 SOUTH 5TH ALLENTOWN, PA (610) 776-3228

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)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SCOTT A BAKER SECRETARY	30 1 00	X		X				0	0	0
(2) SANDRA L BODNYK TREASURER	40 1 60	X		X				0	0	0
(3) PATRICK J BRENNAN MD TRUSTEE	30 1 00	X						0	0	0
(4) ALVARO DIAZ TRUSTEE	30 1 00	X						0	0	0
(5) DAVID G DECAMPLI CHAIR	70 2 60	X		X				0	0	0
(6) ROBERT E GADOMSKI TRUSTEE	30 1 00	X						0	0	0
(7) MICHAEL GOLDNER DO TRUSTEE	20 60	X						0	0	0
(8) ELSBETH G HAYMON TRUSTEE	30 1 00	X						0	0	0
(9) KATHERINE E HILGERT TRUSTEE	20 60	X						0	0	0
(10) SANDRA JARVA WEISS VICE CHAIR	20 60	X		X				0	0	0
(11) F MARK GUMZ TRUSTEE	30 1 00	X						0	0	0
(12) GERALD A NAU TRUSTEE	20 60	X						0	0	0
(13) EDITH D RITTER TRUSTEE	20 60	X						0	0	0
(14) KAREN SENFT TRUSTEE	20 60	X						0	0	0
(15) LAURIE STEWART TRUSTEE	30 1 00	X						0	0	0
(16) THE REV DAVID R STROBEL TRUSTEE	20 60	X						0	0	0
(17) DANIEL J WILSON PHD TRUSTEE	30 1 00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (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)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) SARA T GAMMON PRESIDENT/CEO	30 00 30 00	X		X				560,936	0	173,748
(19) SAMUEL A MIRANDA JR SVP/CNO	10 00 50 00				X			212,394	0	53,302
(20) DANIEL C CONFALONE SVP FINANCE/CFO	22 00 38 00				X			345,276	0	32,960
(21) ALLEN M KHADEMI VP MEDICAL AFFAIRS	30 00 30 00					X		322,639	0	25,104
(22) HAROLD M TING SVP STRATEGIC PLANNING	30 00 30 00					X		197,289	0	21,032
(23) RONALD J PETULA VP FINANCE	22 00 38 00					X		145,281	0	21,481
(24) DAVID F LYONS VP DEVELOPMENT	30 00 30 00					X		153,458	0	20,938
(25) FRANK HYLAND VP REHAB SERVICES	30 00 30 00					X		148,199	0	18,686
(26) ANTHONY R BONGIOVANNI FORMER CPO	0 00						X	142,921	0	8,021
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								2,228,393	0	375,272

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 ▶ 19

			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**	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *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
SODEXHO OPERATIONS LLC 4880 PAYSPHERE CIRCLE CHICAGO IL 60674	DIETARY/FOOD SERVICES	1,900,708
EASTON COACH COMPANY 1200 CONROY PLACE EASTON PA 18040	TRANSPORTATION SERVICES	511,352
ULTIMATE SOFTWARE GROUP 1485 NORTH PARK DRIVE WESTON FL 33326	PAYROLL SERVICES	402,005
HCSC LAUNDRY PO BOX 25092 LEHIGH VALLEY PA 18002	LAUNDRY SERVICES	398,151
HT LYONS 7165 AMBASSADOR DRIVE ALLENTOWN PA 18106	CONTRACTING SERVICES	374,082

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 20

Part VIII Statement of Revenue

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				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	4,971,002			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		4,971,002			
Program Service Revenue			Business Code				
	2a	MANAGEMENT FEES	561000	46,453,509	46,453,509		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		46,453,509			
	3	Investment income (including dividends, interest, and other similar amounts)		6,051,339			6,051,339
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	146,154				
	b	Less rental expenses	266,857				
	c	Rental income or (loss)	-120,703				
	d	Net rental income or (loss)		-120,703		-120,703	
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	17,641,229				
	b	Less cost or other basis and sales expenses	14,807,043				
	c	Gain or (loss)	2,834,186				
	d	Net gain or (loss)		2,834,186			2,834,186
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	EXPENSE REIMBURSEMENT	900099	1,166,948			1,166,948
	b	HEALTH NETWORK LABS REV	621500	337,990		337,990	
	c	MEDICAL RECORDS	900099	1,722			1,722
	d	All other revenue		61,713			61,713
	e	**Total.** Add lines 11a–11d		1,568,373			
	12	**Total revenue.** See Instructions		61,757,706	46,453,509	217,287	10,115,908

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	1,825,893	1,825,893		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,378,615	265,695	1,112,920	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	150,942		150,942	
7 Other salaries and wages	14,299,795	7,379,324	6,163,228	757,243
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	4,502,872	4,220,316	231,671	50,885
9 Other employee benefits	9,254,829	8,234,009	920,899	99,921
10 Payroll taxes	1,065,156	551,467	460,341	53,348
11 Fees for services (non-employees)				
a Management				
b Legal	165,052		159,390	5,662
c Accounting	135,558		135,558	
d Lobbying				
e Professional fundraising services See Part IV, line 17	39,000			39,000
f Investment management fees	683,509		683,509	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	7,679,866	4,288,858	3,230,246	160,762
12 Advertising and promotion	453,799	8,474	445,325	
13 Office expenses	1,709,447	1,036,522	354,537	318,388
14 Information technology				
15 Royalties . .				
16 Occupancy	1,194,293	1,194,293		
17 Travel	145,543	30,949	105,814	8,780
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	440		440	
20 Interest	5,362,212	5,362,212		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,130,997	2,056,924		74,073
23 Insurance	-243,162		-243,162	
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 UBI TAX	92,760		92,760	
b DEBT RESTRUCTURING	3,684,534		3,684,534	
c CORPORATE ALLOCATION	742,004	19,769		722,235
d REPAIRS & MAINTENANCE	558,369	558,369		
e All other expenses	486,346	197,488	248,338	40,520
25 **Total functional expenses.** Add lines 1 through 24e	57,498,669	37,230,562	17,937,290	2,330,817
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			1	
	2	Savings and temporary cash investments		1,945,312	2	1,690,044
	3	Pledges and grants receivable, net		1,307,208	3	1,542,690
	4	Accounts receivable, net		5,772,526	4	292,950
	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	1,342,330
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		366,411	9	238,554
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 26,046,266			
	b	Less accumulated depreciation	10b 16,694,105	9,465,269	10c	9,352,161
	11	Investments—publicly traded securities		145,833,260	11	188,844,273
	12	Investments—other securities See Part IV, line 11		101,785,048	12	89,874,839
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		25,979,737	15	23,693,329
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		292,454,771	16	316,871,170
Liabilities	17	Accounts payable and accrued expenses		12,815,670	17	5,626,891
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		112,088,356	20	113,911,721
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties		3,558,916	24	1,844,002
	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		33,299,256	25	35,831,184
	26	**Total liabilities.** Add lines 17 through 25		161,762,198	26	157,213,798
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		94,443,167	27	121,258,620
	28	Temporarily restricted net assets		9,469,125	28	10,481,046
	29	Permanently restricted net assets		26,780,281	29	27,917,706
		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		130,692,573	33	159,657,372
	34	Total liabilities and net assets/fund balances		292,454,771	34	316,871,170

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	61,757,706
2	Total expenses (must equal Part IX, column (A), line 25)	2	57,498,669
3	Revenue less expenses Subtract line 2 from line 1	3	4,259,037
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	130,692,573
5	Net unrealized gains (losses) on investments	5	14,769,583
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	9,936,179
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	159,657,372

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		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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

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

1 ☐ A church, convention of churches, or association of churches 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 ")	3,576,315	4,688,896	3,468,259	5,046,851	4,971,002	21,751,323
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	3,576,315	4,688,896	3,468,259	5,046,851	4,971,002	21,751,323
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						21,751,323

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	3,576,315	4,688,896	3,468,259	5,046,851	4,971,002	21,751,323
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	6,483,150	4,783,360	5,506,148	4,761,968	6,051,339	27,585,965
9 Net income from unrelated business activities, whether or not the business is regularly carried on		277,503	210,099	119,980	191,092	798,674
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	4,970	1,280,505	1,428,321	1,264,842	1,230,383	5,209,021
11 **Total support** (Add lines 7 through 10)						55,344,983

12 Gross receipts from related activities, etc (see instructions)	12	219,417,905

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	39 300 %
15 Public support percentage for 2011 Schedule A, Part II, line 14	15	42 550 %

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

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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

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

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ 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
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	20,369,987	20,129,443	18,523,874	17,900,332	20,587,042
b	Contributions	843,128	754,521	229,597	643,738	654,587
c	Net investment earnings, gains, and losses	1,601,840	368,887	2,262,789	913,701	-2,583,126
d	Grants or scholarships					
e	Other expenditures for facilities and programs	957,376	882,864	886,817	933,897	758,171
f	Administrative expenses					
g	End of year balance	21,857,579	20,369,987	20,129,443	18,523,874	17,900,332

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

- a Board designated or quasi-endowment ▶ 11 000 %
- b Permanent endowment ▶ 89 000 %
- c Temporarily restricted endowment ▶

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

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		828,589		828,589
b Buildings		5,380,378	2,545,777	2,834,601
c Leasehold improvements		168,169	120,075	48,094
d Equipment		19,116,000	13,665,194	5,450,806
e Other		553,130	363,059	190,071
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				9,352,161

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	49,096,548	C
(3) Other		
(A) ALTERNATIVE INVESTMENTS, AT COST	19,439,572	C
(B) ALTERNATIVE INVESTMENTS, ABSOLUTE RETURN	21,338,719	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	89,874,839	

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) BENEFICIAL INTEREST IN PERPETUAL TRUSTS	10,477,026
(2) BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUSTS	10,997,513
(3) DEFERRED FINANCING COSTS, NET	2,218,790
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	23,693,329

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
CHARITABLE GIFT ANNUITIES	4,351,583
WORKERS' COMPENSATION	2,067,372
ANNUITIES PAYABLE	111,096
DEFINED CONTRIBUTION PLAN LIABILITY	1,079,325
AMOUNTS DUE TO AFFILIATES	23,793,962
DERIVATIVE FINANCIAL INSTRUMENT	4,427,846
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	35,831,184

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	86,046,816
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	14,769,583		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	10,274,169		
e	Add lines **2a** through **2d**			2e	25,043,752
3	Subtract line **2e** from line **1**			3	61,003,064
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	683,509		
b	Other (Describe in Part XIII)	4b	71,133		
c	Add lines **4a** and **4b**			4c	754,642
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	61,757,706

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

1	Total expenses and losses per audited financial statements			1	57,082,017
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	266,857		
e	Add lines **2a** through **2d**			2e	266,857
3	Subtract line **2e** from line **1**			3	56,815,160
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	683,509		
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	683,509
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	57,498,669

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	GOOD SHEPHERD'S ENDOWMENTS PROVIDE INCOME IN PERPETUITY FOR PROGRAMS AND SERVICES, INCLUDING RESEARCH, TECHNOLOGY, PEDIATRICS, LONG TERM CARE OPERATIONS AND RECREATION, EDUCATION, GENERAL AND NEUROREHABILITATION PROGRAMS, AND FOR THE GENERAL SUPPORT OF GOOD SHEPHERD'S OPERATIONS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	GOOD SHEPHERD PRESCRIBES A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY IN RECORDING TAX LIABILITIES IN THE FINANCIAL STATEMENTS MEASUREMENT AND RECOGNITION OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET GOOD SHEPHERD'S POLICY IS TO RECOGNIZE INTEREST RELATED TO UNRECOGNIZED TAX BENEFITS IN INTEREST EXPENSE AND PENALTIES IN OPERATING EXPENSES GOOD SHEPHERD'S FEDERAL INCOME TAX RETURNS FOR THE YEARS ENDED PRIOR TO JUNE 30, 2010 NO LONGER REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE
PART XI, LINE 2D - OTHER ADJUSTMENTS		INCOME ON INVESTMENT IN UNCONSOLIDATED SUBSIDIARY 6,927,463 CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS 2,329,795 PENSION LIABILITIY ADJUSTMENT - UNCONSOLIDATED SUBSIDIARY 625,404 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS 16,023 VALUATION GAIN, BENEFICIAL INTEREST IN PERPETUAL TRUSTS 257,701 TRANSFER OF NET ASSETS FROM FORMER WORK SERVICES ENTITY 117,783
PART XI, LINE 4B - OTHER ADJUSTMENTS		RENTAL EXPENSES -266,857 HEALTH NETWORK LABS REV 337,990
PART XII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 266,857

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. 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
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
SCHULTZ AND WILLIAMS 325 CHESTNUT STREET SUITE 700 PHILADELPHIA, PA 19106	DIRECT MAIL CONSULTING		No	0	39,000	-39,000
Total . . . . . ▶					39,000	-39,000

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

PA, FL, MN

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

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
EXPLANATION OF FUNDRAISING PAYMENTS	SCHEDULE G, PART I, LINE 2B, COLUMN (V)	THE TOTAL AMOUNT PAID TO SCHULTZ AND WILLIAMS FOR FISCAL YEAR JUNE 30, 2013 WAS $284,662 THE $39,000 REPORTED IN SCHEDULE G, PART I RELATES TO DIRECT MAIL CONSULTING THE REMAINING PAYMENTS MADE TO SCHULTZ AND WILLIAMS WERE FOR OTHER SERVICES SUCH AS CREATIVE CONSULTING FEES, PRINTING, LETTERSHOP, LIST ACQUISITION AND MANAGEMENT, MERGE AND PURGE, SHIPPING AND POSTAGE SCHULTZ AND WILLIAMS INVOICES ARE VERY SPECIFIC AND INDICATE THE AMOUNT BILLED FOR EACH ACTIVITY THE AMOUNT OF CONTRIBUTIONS RECEIVED AS A RESULT OF THIS CONSULTING COULD NOT BE EASILY DETERMINED

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. 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) GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH STREET ALLENTOWN,PA 18103	23-2215800	501(C)(3)	399,536		N/A	N/A	CHARITABLE ACTIVITIES
(2) GOOD SHEPHERD REHABILITATION HOSPITAL GOOD SHEPHERD PLAZA 850 SOUTH 5TH STREET ALLENTOWN,PA 18103	23-1371947	501(C)(3)	1,426,357		N/A	N/A	CHARITABLE ACTIVITIES

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 ALL RECIPIENTS ARE AFFILIATED TAX-EXEMPT ORGANIZATIONS GSRN SERVES AS THE PARENT ENTITY AND IS AWARE OF THE OPERATIONS AND USE OF FUNDS RECEIVED

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
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				
(1)SARA T GAMMON PRESIDENT/CEO	(i) (ii)	560,936 0	0 0	0 0	168,861 0	4,887 0	734,684 0	0 0
(2)SAMUEL A MIRANDA JR SVP/CNO	(i) (ii)	212,394 0	0 0	0 0	41,894 0	11,408 0	265,696 0	0 0
(3)DANIEL C CONFALONE SVP FINANCE/CFO	(i) (ii)	345,276 0	0 0	0 0	20,733 0	12,227 0	378,236 0	0 0
(4)ALLEN M KHADEMI VP MEDICAL AFFAIRS	(i) (ii)	322,639 0	0 0	0 0	11,785 0	13,319 0	347,743 0	0 0
(5)HAROLD M TING SVP STRATEGIC PLANNING	(i) (ii)	197,289 0	0 0	0 0	11,847 0	9,185 0	218,321 0	0 0
(6)RONALD J PETULA VP FINANCE	(i) (ii)	145,281 0	0 0	0 0	8,724 0	12,757 0	166,762 0	0 0
(7)DAVID F LYONS VP DEVELOPMENT	(i) (ii)	153,458 0	0 0	0 0	8,120 0	12,818 0	174,396 0	0 0
(8)FRANK HYLAND VP REHAB SERVICES	(i) (ii)	148,199 0	0 0	0 0	8,899 0	9,787 0	166,885 0	0 0
(9)ANTHONY R BONGIOVANNI FORMER CPO	(i) (ii)	0 0	0 0	142,921 0	2,704 0	5,317 0	150,942 0	0 0

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 1A	GOOD SHEPHERD DOES NOT PAY ANY DUES ON BEHALF OF CEO, SARA GAMMON, DIRECTLY TO A SOCIAL CLUB GOOD SHEPHERD REIMBURSES THE CEO FOR CERTAIN SOCIAL CLUB DUES RELEVANT IN PURSUING THE OVERALL MISSION OF GOOD SHEPHERD THESE EXPENSES ARE ACCOUNTED FOR UNDER AN ACCOUNTABLE REIMBURSEMENT PLAN THE AMOUNT OF THIS REIMBURSEMENT IS INCLUDED IN MS GAMMON'S TAXABLE COMPENSATION
	PART I, LINE 4A	ANTHONY BONGIOVANNI IS THE FORMER CPO (KEY EMPLOYEE) OF THE GOOD SHEPHERD REHABILITATION NETWORK AND AFFILIATES HE RECEIVED $142,921 FOR 31 5 WEEKS OF SEVERANCE PAY, BEGINNING JULY 30, 2012
	PART I, LINE 7	GSRN HAS A PERFORMANCE COMPENSATION PROGRAM IN PLACE WHICH IS APPROVED BY THE BOARD CERTAIN MEMBERS OF MANAGEMENT CAN RECEIVE AN ANNUAL PERFORMANCE PAYMENT ONLY WHEN PRE-DEFINED AND PRE-APPROVED FINANCIAL AND NON-FINANCIAL GOALS ARE ACHIEVED FOR FISCAL YEAR 2013, A PERFORMANCE PAYMENT WAS NOT ACHIEVED THIS IS NOT GUARANTEED EACH YEAR

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-2216041
Name: GOOD SHEPHERD REHABILITATION NETWORK

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			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
SARA T GAMMON	(I)	560,936	0	0	168,861	4,887	734,684	0
	(II)	0	0	0	0	0	0	0
SAMUEL A MIRANDA JR	(I)	212,394	0	0	41,894	11,408	265,696	0
	(II)	0	0	0	0	0	0	0
DANIEL C CONFALONE	(I)	345,276	0	0	20,733	12,227	378,236	0
	(II)	0	0	0	0	0	0	0
ALLEN M KHADEMI	(I)	322,639	0	0	11,785	13,319	347,743	0
	(II)	0	0	0	0	0	0	0
HAROLD M TING	(I)	197,289	0	0	11,847	9,185	218,321	0
	(II)	0	0	0	0	0	0	0
RONALD J PETULA	(I)	145,281	0	0	8,724	12,757	166,762	0
	(II)	0	0	0	0	0	0	0
DAVID F LYONS	(I)	153,458	0	0	8,120	12,818	174,396	0
	(II)	0	0	0	0	0	0	0
FRANK HYLAND	(I)	148,199	0	0	8,899	9,787	166,885	0
	(II)	0	0	0	0	0	0	0
ANTHONY R BONGIOVANNI	(I)	0	0	142,921	2,704	5,317	150,942	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	LEHIGH COUNTY GENERAL PURPOSE AUTHORITY	91-1886539	52480RCE8	12-20-2012	32,511,568	FINANCE CAPITAL PRJCTS, ESTABLISH DEBT SERV RESERVE, PAY COSTS OF BONDS		X		X		X
B	LEHIGH COUNTY GENERAL PURPOSE AUTHORITY	91-1886539	5248058S0	11-15-2007	51,367,939	FINANCE CAP INVSTMTS		X		X		X
C	LEHIGH COUNTY GENERAL PURPOSE AUTHORITY	91-1886539	52480RAZ3	12-01-2011	34,840,000	TO REFUND THE 2007B AND 2008A BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	160,000	3,175,000	6,945,000	
2	Amount of bonds legally defeased				
3	Total proceeds of issue	32,511,568	51,367,939	34,840,000	
4	Gross proceeds in reserve funds	4,014,025	4,014,025		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	27,968,861			
7	Issuance costs from proceeds	495,514	1,597,399		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	915,289	45,756,515		
11	Other spent proceeds	34,840,000		34,840,000	
12	Other unspent proceeds	3,131,905			
13	Year of substantial completion	2009	2009	2011	

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X			
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X			
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 00000%		0 00000%		0 00000%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 00000%		0 00000%		0 00000%		%	
6	Total of lines 4 and 5	0 00000%		0 00000%		0 00000%		%	
7	Does the bond issue meet the private security or payment test?		X		X		X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X			X		X		
b	Exception to rebate?		X		X	X			
c	No rebate due?		X	X			X		
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X		X			
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X	X		X			
b	Name of provider	MERRILL LYNCH CAPITAL SERVICES		MERRILL LYNCH CAPITAL SERVICES		MERRILL LYNCH CAPITAL SERVICES			
c	Term of hedge	20 900000000000		20 900000000000		26 500000000000			
d	Was the hedge superintegrated?		X		X		X		
e	Was a hedge terminated?		X		X		X		

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?	X			X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X			

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X		X		X		

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
SCHEDULE K PART IV, ARBITRAGE, LINE 2C	DATE REBATE COMPUTATION PERFORMED	ISSUER NAME LEHIGH COUNTY GENERAL PURPOSE AUTHORITY DATE THE REBATE COMPUTATION WAS PERFORMED 10/02/2012
PART IV LINE 6A		THE ESCROW FUND HAS BEEN INVESTED BEYOND THE TEMPORARY PERIOD BUT AT A YIELD BELOW THE YIELD OF THE BONDS
PART V	PROCEDURES TO UNDERTAKE CORRECTIVE ACTION	ALTHOUGH THE ORGANIZATION DID NOT HAVE SUCH PROCEDURES IN WRITING AS OF 6/30/13, A WRITTEN POLICY HAS SINCE BEEN ADOPTED

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

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

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 4	GSRN BY LAW REVISIONS PERTAIN TO THE REMOVAL OF THE GOOD SHEPHERD WORKSHOP/VOCATIONAL SERVICES, INC AND THE ADDITION OF AN INVESTMENT SUB-COMMITTEE. THE COMPOSITION AND RESPONSIBILITIES OF THIS NEWLY FORMED GROUP WERE DEFINED

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

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

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

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

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF TRUSTEES OF GOOD SHEPHERD REHABILITATION NETWORK (GSRN) DELEGATES RESPONSIBILITY FOR FOLLOWING ALL LEGAL AND REGULATORY REQUIREMENTS AFFECTING EXECUTIVE COMPENSATION TO THE HUMAN RESOURCES/COMPENSATION COMMITTEE OF THE BOARD (THE COMMITTEE) THE BOARD DELEGATES RESPONSIBILITY TO ENGAGE EXTERNAL RESOURCES AS NECESSARY TO THE COMMITTEE TO SUPPORT DELIBERATIONS AND DECISION MAKING RELATED TO EXECUTIVE COMPENSATION THE COMMITTEE SELECTED AND UTILIZES AN INDEPENDENT COMPENSATION CONSULTANT, MERCER - A MARSH & MCCLENNAN COMPANY, (THE CONSULTANT) AS A RESOURCE TO ASSIST WITH DECISIONS RELATED TO EXECUTIVE COMPENSATION IN ACCORDANCE WITH THE COMMITTEE'S ANNUAL WORK PLAN, THE CONSULTANT PRESENTED A "TOTAL REMUNERATION REVIEW" ON OCTOBER 30, 2013 DURING EXECUTIVE SESSION (NO EMPLOYED STAFF OF GSRN IN ATTENDANCE) OF A REGULARLY SCHEDULED COMMITTEE MEETING THE TOTAL REMUNERATION REVIEW WAS DEVELOPED USING COMPETITIVE MARKET AND PEER GROUP DATA RELATED TO ALL ASPECTS OF COMPENSATION INCLUDING BUT NOT LIMITED TO BASE SALARY, INCENTIVES, BENEFITS AND PERQUISITES ALL OF THE COMPENSATION MEETINGS ARE FORMALLY DOCUMENTED CONSISTENT WITH BEST GOVERNANCE PRACTICES

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

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

Identifier	Return Reference	Explanation
OTHER FEES	FORM 990, PART IX, LINE 11G	CONSULTANTS PROGRAM SERVICE EXPENSES 8,280 MANAGEMENT AND GENERAL EXPENSES 514,107 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 522,387 PHARMACY SERVICES PROGRAM SERVICE EXPENSES 19,215 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 19,215 LABORATORY SERVICES PROGRAM SERVICE EXPENSES 38,884 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 38,884 OTHER CLINICAL SERVICES PROGRAM SERVICE EXPENSES 6,571 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 6,571 DIETARY PROGRAM SERVICE EXPENSES 1,723,364 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,723,364 LAUNDRY PROGRAM SERVICE EXPENSES 378,242 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 378,242 INFORMATION SERVICES PROGRAM SERVICE EXPENSES 98,929 MANAGEMENT AND GENERAL EXPENSES 172,937 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 271,866 TRANSPORTATION SERVICES PROGRAM SERVICE EXPENSES 558,003 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 558,003 TRANSCRIPTION SERVICES PROGRAM SERVICE EXPENSES 249,371 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 249,371 MAINTENANCE AGREEMENTS PROGRAM SERVICE EXPENSES 862,168 MANAGEMENT AND GENERAL EXPENSES 1,677,178 FUNDRAISING EXPENSES 23,016 TOTAL EXPENSES 2,562,362 INSPECTIONS/LICENSES PROGRAM SERVICE EXPENSES 18,754 MANAGEMENT AND GENERAL EXPENSES 12,590 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 31,344 OUTSIDE PAINTING PROGRAM SERVICE EXPENSES 7,671 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 7,671 COLLECTION/COMMISSIONS PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 5,774 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 5,774 RECRUITMENT SERVICES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 348,964 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 348,964 OTHER PURCHASED SERVICES PROGRAM SERVICE EXPENSES 319,406 MANAGEMENT AND GENERAL EXPENSES 498,696 FUNDRAISING EXPENSES 137,746 TOTAL EXPENSES 955,848

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	INCOME ON INVESTMENT IN UNCONSOLIDATED SUBSIDIARY 6,927,463 CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS 2,329,795 PENSION LIABILITY ADJUSTMENT - UNCONSOLIDATED SUBSIDIARY 625,404 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS 16,023 VALUATION GAIN, BENEFICIAL INTEREST IN PERPETUAL TRUSTS 257,701 REDUCTION IN EQUITY TO REPORT HEALTH NETWORK LABS REVENUE -337,990 TRANSFER OF NET ASSETS FROM FORMER WORK SERVICES ENTITY 117,783

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

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
GOOD SHEPHERD REHABILITATION NETWORK

Employer identification number
23-2216041

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" 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
(1) GOOD SHEPHERD GROUP LLC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 20-1289638	REHABILITATION PRODUCT DEVELOPMENT	PA	-10,682	5,700	GOOD SHEPHERD REHABILITATION NETWORK

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	(g) Section 512 (b)(13) controlled entity? No
(1) GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-2215800	OPERATES TWO SKILLED NURSING FACILITIES FOR THE SEVERELY DISABLED	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(2) GOOD SHEPHERD HOUSING DEVELOPMENT CORPORATION GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-3073390	PROVIDES INDEPENDENT LIVING APTS FOR DISABLED, LOW-INCOME ADULTS	PA	501(C)(3)	LINE 9	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(3) GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC 1901 LEHIGH STREET ALLENTOWN, PA 18103 23-2215801	PROVIDES EMPLOYMENT DEVELOPMENT PROGRAMS AND VOCATIONAL EVALUATIONS	PA	501(C)(3)	LINE 11A, I	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(4) PHILADELPHIA POST-ACUTE PARTNERS LLC 1800 LOMBARD STREET PHILADELPHIA, PA 19146 20-8283421	OPERATES INPATIENT REHAB HOSP, ACUTE CARE HOSP & 8 OUTPATIENT FACILITIES	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(5) THE ALLENTOWN SPECIALTY HOSPITAL INC GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-3009874	PROVIDES INPATIENT SVCS THROUGH OPERATION OF A LONG-TERM ACUTE CARE HOSP	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	
(6) THE GOOD SHEPHERD REHABILITATION HOSPITAL GOOD SHEPHERD PLAZA 850 SOUTH 5TH S ALLENTOWN, PA 18103 23-1371947	PROVIDES COMPREHENSIVE INPATIENT AND OUTPATIENT REHABILITATION SERVICES	PA	501(C)(3)	LINE 3	GOOD SHEPHERD REHABILITATION NETWORK	Yes	

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" 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?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" 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	No
(1) GOOD SHEPHERD RECIPROCAL RISK RENTENTION GROUP 7301 RIVERS AVENUE SUITE 230 NORTH CHARLESTON, SC 29406 20-4065112	RISK RETENTION GROUP	SC	GOOD SHEPHERD REHABILITATION NETWORK	C	750,000	6,142,227	100 000 %		No

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

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

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties 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	Yes	
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	Yes	
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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	

Software ID:
Software Version:
EIN: 23-2216041
Name: GOOD SHEPHERD REHABILITATION NETWORK

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
THE GOOD SHEPHERD REHABILITATION HOSPITAL	B	1,426,357	COST
THE GOOD SHEPHERD REHABILITATION HOSPITAL	I	1,059,871	COST
THE GOOD SHEPHERD REHABILITATION HOSPITAL	L	24,994,676	COST
THE GOOD SHEPHERD REHABILITATION HOSPITAL	O	8,270,491	COST
THE GOOD SHEPHERD REHABILITATION HOSPITAL	Q	10,844,746	COST
THE GOOD SHEPHERD REHABILITATION HOSPITAL	R	45,909,124	COST
THE ALLENTOWN SPECIALTY HOSPITAL INC	L	3,677,134	COST
THE ALLENTOWN SPECIALTY HOSPITAL INC	O	1,093,640	COST
THE ALLENTOWN SPECIALTY HOSPITAL INC	Q	2,498,349	COST
THE ALLENTOWN SPECIALTY HOSPITAL INC	R	1,143,717	COST
GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	B	399,536	COST
GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	L	5,871,237	COST
GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	O	2,435,587	COST
GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	Q	2,502,446	COST
GOOD SHEPHERD HOME LONG-TERM CARE FACILITY INC	R	635,679	COST
GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	S	117,783	COST
GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	Q	94,334	COST
GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	R	1,116,873	COST
GOOD SHEPHERD WORKSHOPVOCATIONAL SERVICES INC	S	1,738,451	COST
PHILADELPHIA POST-ACUTE PARTNERS LLC	F	7,299,250	COST
PHILADELPHIA POST-ACUTE PARTNERS LLC	L	681,438	COST
PHILADELPHIA POST-ACUTE PARTNERS LLC	Q	19,299,682	COST
GOOD SHEPHERD RECIPROCAL RISK RENTENTION GROUP	S	661,363	COST