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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07-01-2013 , 2013, and ending 06-30-2014

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

C Name of organization
ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
100 ABINGTON EXECUTIVE PARK

City or town, state or province, country, and ZIP or foreign postal code
CLARKS SUMMIT, PA 18411

D Employer identification number
23-2523395

E Telephone number
(570) 348-1300

G Gross receipts $ 60,127,467

F Name and address of principal officer
WILLIAM CONABOY
100 ABINGTON EXECUTIVE PARK
CLARKS SUMMIT, PA 18411

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

H(b) Are all subordinates 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 ALLIED-SERVICES ORG

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

L Year of formation 1966

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO OPERATE A REHABILITATION HOSPITAL PROVIDING ALL TYPES OF REHABILITATIVE SERVICES

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**	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	8
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	538
6	Total number of volunteers (estimate if necessary)	**6**	88
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	31,206	8,370
9	Program service revenue (Part VIII, line 2g)	37,458,931	35,929,255
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	764,796	1,163,658
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,371,223	1,183,906
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	39,626,156	38,285,189
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,997,485	0
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)	21,256,719	21,376,811
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	14,151,003	14,149,873
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	37,405,207	35,526,684
19	Revenue less expenses Subtract line 18 from line 12	2,220,949	2,758,505

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	39,098,856	42,672,092
21	Total liabilities (Part X, line 26)	13,862,143	12,949,368
22	Net assets or fund balances Subtract line 21 from line 20	25,236,713	29,722,724

Revenue | Expenses | 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

****** | 2015-04-13
Signature of officer | Date

WILLIAM CONABOY PRESIDENT/CEO
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 GREEN CPA				P00350393

Firm's name ▶ BAKER TILLY VIRCHOW KRAUSE LLP | Firm's EIN ▶ 39-0859910

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 or note to any line in this Part III . . . . . ☑

1 Briefly describe the organization's mission

WE ARE COMMITTED TO THE PEOPLE OF OUR COMMUNITY, TO HELP THEM OVERCOME CHALLENGES AND REACH THEIR GREATEST POTENTIAL BY PROVIDING QUALITY CARE, PEOPLE ORIENTED SERVICES, AND COMFORT THROUGH OPERATION OF A REHABILITATION HOSPITAL, WHICH PROVIDES ALL TYPES OF REHABILITATIVE SERVICES

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 $ 29,225,839 including grants of $) (Revenue $ 35,775,478)

OPERATED A REHABILITATION HOSPITAL, LICENSED FOR 103-BEDS, THAT PROVIDED VARIOUS TYPES OF REHABILITATIVE SERVICES ALSO OPERATED 32 LICENSED BEDS AT LOCAL HOSPITALS DURING 2013, THE HOSPITAL HAD 20,574 PATIENT DAYS, OF WHICH 71% WERE MEDICARE THE TOTAL OCCUPANCY FOR THE REHABILITATION HOSPITAL WAS 42% SERVICES WERE PROVIDED TO PATIENTS WHO MET CERTAIN CRITERIA WITHOUT CHARGE OR AT AMOUNTS LESS THAN ESTABLISHED RATES CHARGES FORGONE FOR SERVICES RENDERED AND SUPPLIES FURNISHED UNDER THE CHARITY CARE POLICY AMOUNTED TO $128,106 DURING THE YEAR ENDED JUNE 30, 2014

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** ▶ 29,225,839

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		No
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		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	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 other assistance to or for any foreign organization? *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 other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		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	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants or 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 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *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	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
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**		
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 or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	43		
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	538		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response or note to any line 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**	9		
	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**	8		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
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

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

▶ DAVID ARGUST 100 ABINGTON EXECUTIVE PARK
CLARKS SUMMIT, PA 18411 (570) 348-1335

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

Check if Schedule O contains a response or note to any line 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) THOMAS G SPEICHER VICE CHAIRMAN	1 00 4 00	X		X				0	0	0
(2) MICHAEL J ARONICA MD TREASURER	1 00 4 00	X		X				0	0	0
(3) RICHARD WEINBERGER DO SECRETARY	1 00 1 00	X		X				0	0	0
(4) WILLIAM P CONABOY ESQ DIRECTOR	10 00 30 00	X						0	546,481	154,892
(5) ROBERT POMENTO DIRECTOR	1 00 1 00	X						0	0	0
(6) KENNETH KROGULSKI CFA DIRECTOR	1 00 6 00	X						0	0	0
(7) SHERRY DAVIDOWITZ DIRECTOR	1 00 1 00	X						0	0	0
(8) JOSEPH SAVITZ ESQ DIRECTOR	1 00 1 00	X						0	0	0
(9) THOMAS J MELONE CPA CHAIRMAN	1 00 5 00	X		X				0	0	0
(10) MICHAEL AVVISATO ASSISTANT SECRETARY & TREASURER	10 00 30 00			X				0	298,890	66,675
(11) ROBERT COLE VICE PRESIDENT OF SYSTEM IMPROVEMENT	40 00					X		160,226	0	13,677
(12) DIANA POPE-ALBRIGHT ASSISTANT VICE PRESIDENT	40 00					X		115,132	0	11,125
(13) KAREN STRONEY ASSISTANT VICE PRESIDENT	40 00					X		104,585	0	5,671

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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								379,943	845,371	252,040

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 ▶ 3

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
REGIONAL HOSPITAL OF SCRANTON 746 JEFFERSON AVENUE SCRANTON PA 18501	DIETARY & LAUNDRY SERVICES	659,886
MASLOW LUMIA BARTORILLO 182 NORTH FRANKLIN STREET WILKES BARRE PA 18701	ADVERTISING	410,453
NORTHEASTERN REHABILITATION ASSOCIATES 5 MORGAN HIGHWAY SCRANTON PA 18508	PHYSICIAN SERVICES	396,533
MOSES TAYLOR HOSPITAL 700 QUINCY AVENUE SCRANTON PA 18510	PATIENT BILLS & UNIT RENT	381,624
CROTHALL HEALTHCARE 955 CHESTERBROOK BOULEVARD SUITE 3 WAYNE PA 19087	HOUSEKEEPING	355,862

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 ▶ 8

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
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 8,370				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f		8,370			
Program Service Revenue		Business Code				
	2a NET PATIENT SERVICE REV	623000	34,864,826	34,864,826		
	b PA MODERNIZATION ASSESSMENT	623000	910,652	910,652		
	c MAINTENANCE CLINIC REV	624310	153,777			153,777
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f		35,929,255			
	3 Investment income (including dividends, interest, and other similar amounts)		313,555			313,555
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					

		(i) Real	(ii) Personal				
	6a Gross rents	178,201					
	b Less rental expenses	209,275					
	c Rental income or (loss)	-31,074					
	d Net rental income or (loss)			-31,074			-31,074

		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	22,483,106					
	b Less cost or other basis and sales expenses	21,633,003					
	c Gain or (loss)	850,103					
	d Net gain or (loss)			850,103			850,103
	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						
Other Revenue	Miscellaneous Revenue	Business Code					
	11a DEPAUL SCHOOL TUITION REV	900099	1,031,296				1,031,296
	b CAFETERIA & VENDING REV	722210	153,520				153,520
	c OTHER	900099	15,950				15,950
	d All other revenue		14,214				14,214
	e **Total.** Add lines 11a–11d		1,214,980				
	12 **Total revenue.** See Instructions		38,285,189	35,775,478	0		2,501,341

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 or note to any line in this Part IX . . . . . ☑

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
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	394,270	394,270		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	17,220,584	16,780,387	440,197	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	436,273	425,370	10,903	
9 Other employee benefits	1,776,129	1,731,743	44,386	
10 Payroll taxes	1,549,555	1,510,831	38,724	
11 Fees for services (non-employees)				
a Management				
b Legal	17,428		17,428	
c Accounting	49,911		49,911	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	3,978,874	1,052,626	2,926,248	
12 Advertising and promotion	243,979	243,529	450	
13 Office expenses	485,503	459,444	26,059	
14 Information technology				
15 Royalties . .				
16 Occupancy	1,343,760	627,776	715,984	
17 Travel	102,236	100,989	1,247	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	41,119	38,403	2,716	
20 Interest	364,940	364,940		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,096,729	1,067,809	28,920	
23 Insurance	355,712		355,712	
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 MEDICAL SUPPLIES	1,531,632	1,531,632		
b EQUIPMENT RENTAL & MAIN	1,210,477	194,212	1,016,265	
c PA MODERNIZATION ASSESS	910,652	910,652		
d HOUSEKEEPING EXPENSE	705,570	705,570		
e All other expenses	1,711,351	1,085,656	625,695	
25 **Total functional expenses.** Add lines 1 through 24e	35,526,684	29,225,839	6,300,845	0
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 or note to any line in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1,600	1	1,600
	2	Savings and temporary cash investments		5,272,435	2	6,626,131
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		2,259,067	4	2,635,095
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		176,333	8	196,258
	9	Prepaid expenses and deferred charges		443,592	9	336,162
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 40,147,971			
	b	Less accumulated depreciation	10b 33,336,584	7,085,261	10c	6,811,387
	11	Investments—publicly traded securities		20,012,419	11	22,881,091
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		3,848,149	15	3,184,368
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		39,098,856	16	42,672,092
Liabilities	17	Accounts payable and accrued expenses		1,938,536	17	1,975,224
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		11,208,080	20	9,553,217
	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			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		715,527	25	1,420,927
	26	**Total liabilities.** Add lines 17 through 25		13,862,143	26	12,949,368
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		25,236,713	27	29,722,724
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		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		25,236,713	33	29,722,724
	34	Total liabilities and net assets/fund balances		39,098,856	34	42,672,092

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	38,285,189
2	Total expenses (must equal Part IX, column (A), line 25)	2	35,526,684
3	Revenue less expenses Subtract line 2 from line 1	3	2,758,505
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	25,236,713
5	Net unrealized gains (losses) on investments	5	1,727,506
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	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	29,722,724

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE

Employer identification number
23-2523395

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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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.** 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		
Return Reference	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. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE

Employer identification number
23-2523395

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					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- 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)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		125,354		125,354
b Buildings		27,792,112	22,343,500	5,448,612
c Leasehold improvements		910,776	871,055	39,721
d Equipment		11,319,729	10,122,029	1,197,700
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				6,811,387

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(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.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) DEFERRED FINANCING COSTS, NET	159,058
(2) ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	1,389,373
(3) INTERCOMPANY RECEIVABLES, NET	1,635,937
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	3,184,368

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
INTERCOMPANY PAYABLES, NET	1,027,710
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	393,217
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	1,420,927

2. Liability for uncertain tax positions 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 Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	40,221,970
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	1,727,506		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	1,727,506
3	Subtract line **2e** from line **1**			3	38,494,464
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	-209,275		
c	Add lines **4a** and **4b**			4c	-209,275
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	38,285,189

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	35,735,959
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	209,275		
e	Add lines **2a** through **2d**			2e	209,275
3	Subtract line **2e** from line **1**			3	35,526,684
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	35,526,684

Part XIII Supplemental Information

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

Return Reference	Explanation
PART X, LINE 2	ALLIED ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES USING A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY MEASUREMENT OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET MANAGEMENT DETERMINED THAT THERE WERE NO TAX UNCERTAINTIES THAT MET THE RECOGNITION THRESHOLD IN 2014 AND 2013 ALLIED'S FEDERAL RETURNS OF ORGANIZATION EXEMPT FROM INCOME TAX FOR YEARS PRIOR TO 2011 ARE NO LONGER SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE
PART XI, LINE 4B - OTHER ADJUSTMENTS	RENTAL EXPENSES -209,275
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES 209,275

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493103009035

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE

Employer identification number
23-2523395

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			175,890		175,890	0 500 %
b Medicaid (from Worksheet 3, column a)			2,247,152	777,738	1,469,414	4 150 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			2,423,042	777,738	1,645,304	4 650 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			631,540	536,690	94,850	0 270 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			55,509		55,509	0 160 %
j **Total.** Other Benefits			687,049	536,690	150,359	0 430 %
k **Total.** Add lines 7d and 7j			3,110,091	1,314,428	1,795,663	5 080 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	281,792		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	175,890		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	26,119,090		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	21,593,730		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	4,525,360		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group INSTITUTE OF REHABILITATION MEDICINE

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW.ALLIED-SERVICES.ORG/ABOUT-US			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☑ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**		No
If "No," indicate why			
a ☑ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

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

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

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 7	THE MAJORITY OF THE NET COMMUNITY BENEFIT EXPENSES, UNREIMBURSED MEDICAID, WERE CALCULATED USING OUR INTERNAL COST ACCOUNTING SYSTEM, WHICH ADDRESSES ALL PATIENT SEGMENTS CHARITY CARE WAS CALCULATED USING A COST-TO-CHARGE RATIO ALL OTHER AMOUNTS ARE CALCULATED AS DIRECT EXPENSE AND REVENUE AS RECORDED ON THE GENERAL LEDGER

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	COMMUNITY BENEFIT PERCENTAGE IS NET COMMUNITY BENEFIT EXPENSE DIVIDED BY TOTAL EXPENSE LESS PROVISION FOR DOUBTFUL COLLECTIONS THE AMOUNT OF BAD DEBT EXPENSE WAS $333,662

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	ALLIED REHAB HOSPITAL AND THE JOHN HEINZ REHAB HOSPITAL HAVE A LONG-STANDING TRADITION OF CONTRIBUTING TO HEALTHIER COMMUNITIES BY INITIATING PROGRAMS SUCH AS A PROFESSIONAL SPEAKERS' BUREAU, HEALTH EDUCATION THROUGH SEMINARS AND PUBLIC INFORMATION SESSIONS, AND OFFERING OUR CLINICAL EXPERTISE IN REHABILITATION MEDICINE FOR THE GREATER BENEFIT OF THE COMMUNITY SOME EXAMPLES OF ALLIED REHAB AND JOHN HEINZ REHAB HOSPITAL FOR COMMUNITY BUILDING ACTIVITIES DURING THE YEAR - USE OF FACILITY SPACE AND/OR PRINT SERVICES BY NONPROFIT ORGANIZATIONS SUCH AS THE COMMONWEALTH MEDICAL COLLEGE, THE ALZHEIMER'S ASSOCIATION, ST JOSEPH'S CENTER, THE RED CROSS/NEPA, CATHOLIC SOCIAL SERVICES, THE BLIND ASSOCIATION, THE MYASTHENIA GRAVIS SUPPORT GROUP, KEYSTONE COMMUNITY RESOURCES, EPILEPSY SUPPORT GROUP, DIABETES EDUCATION CLASSES, CORI'S PLACE, THE MINOOKA LIONS CLUB AUTISM FUND, THE NORTHEAST REGIONAL CANCER INSTITUTE, THE VOLUNTARY ACTION CENTER, COUNTRYSIDE CONSERVANCY, LEADERSHIP LACKAWANNA, THE UNICO CHARITABLE FOUNDATION, WOMEN'S RESOURCE CENTER AND SUSAN G KOMEN BREAST CANCER FOUNDATION OF NEPA - HOSPITAL STAFF DELIVERED HEALTH EDUCATION PRESENTATIONS AND SCREENINGS DURING THE YEAR, IN CONJUNCTION WITH PUBLIC HEALTH FAIRS, COMMUNITY SERVICE AND SCHOOL EVENTS CONSUMERS WERE SCREENED FOR HIGH BLOOD PRESSURE AND STROKE RISK, BALANCE DISORDERS AND LYMPHEDEMA HEALTH EDUCATION SESSIONS COVERED PREVENTION AND TREATMENT OF YOUTH SPORTS, HEAD INJURY/CONCUSSION, LYMPHEDEMA, MANAGEMENT OF DIABETES, AND HEALTHY AGING - IN MARCH, 2014, ALLIED REHAB HOSPITAL HOSTED AREA HIGH SCHOOL STUDENTS, PARENTS, EDUCATORS AND VOCATIONAL AGENCIES AT A "TRANSITIONAL RESOURCES" DAY THE GATHERING CONNECTED TEENS (AND THEIR PARENTS) WITH CAREER DEVELOPMENT, VOCATIONAL AND EDUCATIONAL RESOURCES TO ASSIST THEM IN MAKING A SUCCESSFUL TRANSITION TO INDEPENDENT LIVING AFTER HIGH SCHOOL GRADUATION SOME 300 PEOPLE, INCLUDING TEENS, TEACHERS, PROVIDER PERSONNEL, TOOK PART IN THE EVENT, WHICH WAS ORGANIZED IN COOPERATION WITH THE NORTHEAST EDUCATIONAL INTERMEDIATE UNIT AND THE LACKAWANNA COUNTY WORKFORCE INVESTMENT PROGRAM - IN OCTOBER, 2013, HEINZ REHAB HOSPITAL SPONSORED AN ON-SITE PASTORAL CARE CONFERENCE ENTITLED "BEYOND THE R WORD EXPLORING INTELLECTUAL/DEVELOPMENTAL DISABILITIES" FOR AREA SOCIAL WORKERS, CASEWORKERS, NURSES, CLERGY, AND CONSUMERS THE PROGRAM ENCOURAGED PRACTITIONER DIALOGUE ON THE SPECIAL PHYSICAL, BEHAVIORAL AND MENTAL HEALTH CHALLENGES FACING ID/DD PATIENTS AND CONSUMERS - PEDIATRIC SERVICES PROVIDED THROUGH EACH REHAB HOSPITAL INCLUDES A SIGNIFICANT PERCENTAGE OF CHARITY CARE FOR THE UNDERINSURED THE REHAB HOSPITALS ALSO HAVE CREATED AND SUPPORTED DEVELOPMENTAL PROGRAMS THROUGHOUT THE YEAR FOR CHILDREN WITH A VARIETY OF DISABILITIES, WITH SPECIAL EMPHASIS ON CHILDREN WITH ASD DIAGNOSES AND CHILDREN WITH DYSLEXIA - THE DEPAUL SCHOOL FOR CHILDREN WITH LEARNING DISABILITIES IS A EXAMPLE OF A NECESSARY EDUCATION-BASED PROGRAM, FOR WHICH ALLIED REHAB HOSPITAL HAS UNDERWRITTEN THE EXTRAORDINARY ANNUAL COST SINCE 1991 THIS PRIMARY SCHOOL SERVED OVER 60 (FALL 2014) LOCAL CHILDREN WITH DYSLEXIA AND RELATED LEARNING DISABILITIES THE COST TO ALLIED SERVICES INSTITUTE FOR 2013-14 WAS $94,850

Form and Line Reference	Explanation
PART III, LINE 2	A COST TO CHARGE RATIO WAS CALCULATED BY DIVIDING TOTAL OPERATING EXPENSE BY GROSS REVENUE MOST PATIENTS WITH BAD DEBT CANNOT AFFORD CARE

Form and Line Reference	Explanation
PART III, LINE 3	DISCOUNTS AND PAYMENTS ARE NETTED PRIOR TO BAD DEBT WRITE OFF

Form and Line Reference	Explanation
PART III, LINE 4	ACCOUNTS RECEIVABLE ARE REPORTED AT NET REALIZABLE VALUE ACCOUNTS ARE WRITTEN OFF WHEN THEY ARE DETERMINED TO BE UNCOLLECTABLE BASED ON MANAGEMENT'S ASSESSMENT OF INDIVIDUAL ACCOUNTS THE ALLOWANCE FOR DOUBTFUL COLLECTIONS IS ESTIMATED BASED UPON A PERIODIC REVIEW OF THE ACCOUNTS RECEIVABLE AGING, PAYOR CLASSIFICATIONS AND APPLICATION OF HISTORICAL WRITE-OFF PERCENTAGES

Form and Line Reference	Explanation
PART III, LINE 8	DUE TO OUR STATUS AS A REHABILITATION HOSPITAL, THERE IS NO SHORTFALL FOR MEDICARE REIMBURSEMENT PURPOSES

Form and Line Reference	Explanation
PART III, LINE 9B	ELIGIBILITY FOR CHARITY IS DETERMINED PRIOR TO COLLECTION AND AT ANY TIME DURING THE COLLECTION PROCESS COLLECTIONS ARE PURSUED UP TO THE POINT THAT A PATIENT COMPLETES AND IS APPROVED FOR CHARITY CARE ONCE CHARITY CARE IS APPROVED, NO FURTHER COLLECTION EFFORTS ARE MADE IF A PATIENT QUALIFIES FOR FULL CHARITY CARE, THERE ARE NO FURTHER COLLECTION EFFORTS IF A PATIENT QUALIFIES FOR PARTIAL CHARITY CARE, REGULAR COLLECTION PRACTICES ARE FOLLOWED THERE IS A STANDARD TIMELINE FOR THE COLLECTION PROCESS BASED UPON THE DOLLAR VALUE OF THE ACCOUNT IT BEGINS WITH MONTHLY STATEMENTS TO COLLECTION CALLS AND COLLECTION LETTERS TO SENDING ACCOUNTS TO COLLECTION AGENCIES TO LEGAL ACTION (BASED UPON THE DOLLAR VALUE) THIS PROCESS IS SUSPENDED WHEN A PATIENT INDICATES THEY ARE UNABLE TO PAY THE INVOICE BASED UPON FINANCIAL ISSUES

Form and Line Reference	Explanation
PART VI, LINE 2	THE REHABILITATION HOSPITALS' COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) & IMPLEMENTATION STRATEGY WAS ADOPTED IN MAY OF 2013, AND INCLUDED EXTENSIVE ANALYSIS OF REGIONAL POPULATION HEALTH INDICATORS AND TRENDS IN JANUARY, 2014, A PUBLIC CHNA COMMUNITY FEEDBACK SESSION WAS HOSTED BY GEISINGER HEALTH SYSTEM AT GEISINGER COMMUNITY MEDICAL CENTER IN SCRANTON ALLIED SERVICES WAS AMONG THE HEALTHCARE SYSTEMS REPRESENTED THE SESSION WAS PROMOTED AND ADVERTISED IN LOCAL MEDIA, AND WAS OPEN TO MEMBERS OF THE GENERAL PUBLIC REGIONAL HEALTH PROVIDERS, HUMAN SERVICE PERSONNEL AND CONSUMERS EXCHANGED INFORMATION CONCERNING REGIONAL HEALTH NEEDS, RESOURCES AND TRENDS MUCH OF THE DISCUSSION FOCUSED ON THE NEED FOR EXPANDED MENTAL HEALTH SERVICES AND RELATED OUTREACH (MENTAL ILLNESS AND ADDICTION HAD BEEN IDENTIFIED IN THE 2013 STUDY AS THE REGION'S MOST PRESSING HEALTHCARE NEED)OUR ORGANIZATION CONTINUED ITS COLLABORATION WITH OTHER LOCAL HEALTHCARE PROVIDERS AS PART OF THE HEALTHY NORTHEAST PENNSYLVANIA INITIATIVE THIS VOLUNTARY GROUP EVALUATED THE OUTPUT OF THE COLLABORATIVE CHNA AND IDENTIFIED THREE PRIORITY TOPICS FOR COLLECTIVE ACTION CHILDHOOD OBESITY, OUTMIGRATION OF HEALTHCARE CONSUMERS AND MENTAL HEALTH/SUBSTANCE ABUSE OUR HOSPITALS WILL CONTINUE TO MAKE RESOURCES (FACILITIES, STAFF EXPERTISE, IN-KIND AND FINANCIAL SUPPORT) AVAILABLE TO THESE ENDEAVORS AS THEY TAKE SHAPE IN COMING MONTHS OUR HOSPITALS ALSO KEEP ABREAST OF LOCAL HEALTH NEEDS AND TRENDS BY REVIEWING PUBLICATIONS ISSUED BY THE FOLLOWING PENNSYLVANIA AGENCIES HEALTH, HUMAN SERVICES, AGING & LONG-TERM LIVING, HEALTH CARE COST CONTAINMENT COUNCIL ALSO, REPORTS FROM THE PENNSYLVANIA HEALTH CARE ASSOCIATION, REHABILITATION & COMMUNITY PROVIDERS ASSOCIATION, U S CENSUS BUREAU, U S DEPARTMENT OF HEALTH & HUMAN SERVICES' (HEALTHY PEOPLE 2020 PROGRAM, CENTER FOR MEDICARE & MEDICAID SERVICES) AND RWJ DARTMOUTH HEALTH ATLAS HELP US TO COMPARE REGIONAL STATISTICS AND TRENDS WITH NATIONAL BENCHMARKS

Form and Line Reference	Explanation
PART VI, LINE 3	UPON REGISTRATION OR ADMISSION, PATIENTS WHO MAY HAVE A SELF PAY BALANCE ARE ADVISED ABOUT ALLIED'S FINANCIAL ASSISTANCE PROGAM AS AN OPTION THE APPLICATION PROCESS TO QUALIFY, ALONG WITH ALL OF THE REQUIREMENTS NECESSARY TO APPLY ARE EXPLAINED APPLICATIONS ARE HANDED TO THESE PATIENTS IN PERSON OR THEY ARE ADVISED THAT THE APPLICATION CAN BE DOWNLOADED VIA ALLIED'S WEBSITE ADDITIONALLY, WHEN PATIENTS ARE CONTACTED ABOUT NON PAYMENT OF THEIR SELF PAY BY THE PATIENT FINANCE DEPARTMENT, THEY ARE AGAIN ADVISED OF THE AVAILABILITY OF THE FINANCIAL ASSISTANCE PROGRAM AS A VIABLE OPTION AND ENCOURAGED TO APPLY IF THEY ARE UNABLE TO AFFORD THEIR MEDICAL BILL INTREPRETER SERVICES ARE MADE AVAILABLE TO NON ENGLISH SPEAKING PATIENTS VIA TELEPHONE OR IN PERSON ALL PATIENTS DURING THE ADMISSION PROCESS ARE OFFERED EDUCATION AND ASSISTANCE WITH REGARD TO THEIR ELIGIBILITY FOR VARIOUS FEDERAL, STATE OR LOCAL GOVERNMENTAL PROGRAMS, AS WELL AS OUR CHARITY CARE PROGRAM COPIES OF OUR CHARITY CARE GUIDELINES AND UNCOMPENSATED CARE APPLICATION ARE AVAILABLE UPON REQUEST

Form and Line Reference	Explanation
PART VI, LINE 4	OVER 80% OF OUR ALLIED AND JOHN HEINZ PATIENTS RESIDE IN LUZERNE OR LACKAWANNA COUNTIES ACCORDING TO JULY 2013 U S CENSUS ("AMERICAN COMMUNITY SURVEY") ESTIMATES, THESE COUNTIES HAD A COMBINED POPULATION OF 524,034 PERSONS RESIDING IN 214,649 HOUSEHOLDS ACCORDING TO THE SAME SOURCE, ALMOST 92 5% OF AREA RESIDENTS SELF-IDENTIFIED AS CAUCASIAN/WHITE, 4 9% SELF-IDENTIFIED AS BLACK OR AFRICAN AMERICAN, 1 8% AS ASIAN, 7% AS AMERICAN/ALASKAN NATIVE, AND 1% AS NATIVE HAWAIIAN/PACIFIC ISLANDER IN ADDITION, ABOUT 8% OF ALL RESPONDENTS IDENTIFIED THEMSELVES AS OF HISPANIC/LATINO ORIGIN THE REGIONAL POPULATION IS SIGNIFICANTLY OLDER THAN THAT OF PENNSYLVANIA 18 6% OF ALL REGIONAL RESIDENTS WERE AGE 65 OR OLDER, COMPARED TO ONLY 16 4% FOR THE COMMONWEALTH OVERALL MEDIAN HOUSEHOLD INCOME IN OUR REGION IS COMPARATIVELY LOW, AT $46,044 FOR LACKAWANNA COUNTY AND $44,402 FOR LUZERNE COUNTY, COMPARED TO $52,548 FOR PENNSYLVANIA THESE DEMOGRAPHICS HAVE SIGNIFICANT IMPLICATIONS IN TERMS OF HEALTHCARE ACCESS, E G , GENERAL HEALTH AND DISABILITY STATUS, HEALTH INSURANCE STATUS, AND ELIMINATION OF LANGUAGE AND CULTURAL BARRIERS IN HEALTHCARE SETTINGS WE CONTINUE TO EMPHASIZE SENIOR SAFETY AND INDEPENDENCE, ACCIDENT/DISABILITY PREVENTION AND RELATED WELLNESS TOPICS IN OUR COMMUNITY OUTREACH ACTIVITIES

Form and Line Reference	Explanation
PART VI, LINE 5	ALLIED SERVICES WAS FOUNDED OVER 50 YEARS AGO WHEN A GROUP OF SCRANTON AREA CHARITIES BEGAN COLLABORATING TO CREATE NEW OPPORTUNITIES AND BETTER SERVICES FOR NORTHEASTERN PENNSYLVANIANS WITH DISABILITIES TODAY, WITH OVER 3,000 EMPLOYEES IN 23 COUNTIES, ALLIED SERVICES IS THE REGION'S LEADING PROVIDER OF POST-ACUTE CARE AND RESIDENTIAL CARE TO PERSONS WITH DISABILITIES AND CHRONIC ILLNESSES ALLIED SERVICES IS A CONTINUUM OF POST-ACUTE AND COMMUNITY-BASED PROGRAMS UNITED BY A COMMON AIM TO IMPROVE THE HEALTH, INDEPENDENCE AND LIFE QUALITY OF OUR CONSUMERS OUR PROGRAMS INCLUDE INPATIENT AND OUTPATIENT MEDICAL REHABILITATION, SKILLED NURSING CARE, TRANSITIONAL REHABILITATION, HOME HEALTH CARE AND IN-HOME SERVICES, VOCATIONAL REHABILITATION, RESIDENTIAL PROGRAMS FOR ADULTS WITH DEVELOPMENTAL OR BEHAVIORAL DISABILITIES AND SENIOR ASSISTED LIVING EACH DAY, THESE SERVICES TOUCH THE LIVES OF SOME 5,000 PERSONS MEDICAL REHABILITATION HOSPITALS IN SCRANTON AND WILKES-BARRE ARE THE CORE AND MOST WIDELY RECOGNIZED COMPONENT OF THE ALLIED SYSTEM COMPLEMENTED BY A NETWORK OF 15 OUTPATIENT CLINICS IN A FIVE-COUNTY AREA, OUR HOSPITALS PROVIDE COMPREHENSIVE REHABILITATION SERVICES FOR SPINAL CORD AND NEUROLOGICAL INJURIES/DISEASE, STROKE, TRAUMATIC BRAIN INJURY, AND OTHER LIFE-CHANGING ILLNESSES AND INJURIES BEYOND PROVIDING DIRECT CARE AND SUPPORT SERVICES TO ADULTS AND CHILDREN, ALLIED'S RESOURCES (CLINICIANS, FACILITIES, EXPERTISE, MANAGEMENT) SERVE THE LARGER REGION THROUGH - THE EDUCATION AND TRAINING OF HEALTH PROFESSIONALS THROUGH SYMPOSIA, INTERNSHIP AND EDUCATIONAL OPPORTUNITIES OFFERED TO PHYSICIANS, PHARMACISTS, NURSES AND OTHER HEALTH CAREERS - ORGANIZED PEER SUPPORT AND HEALTH EDUCATION FOR PERSONS AFFECTED BY TRAUMATIC BRAIN INJURY, SPINAL CORD INJURY, PEDIATRIC DISABILITIES, PARKINSON'S DISEASE AND OTHER CONDITIONS - ACCREDITED, IN-SCHOOL INJURY PREVENTION PROGRAMS FOR SCHOOL CHILDREN, TEACHERS AND COACHES- AFFORDABLE WELLNESS/EXERCISE PROGRAMS AND FACILITIES FOR PERSONS WITH DISABILITIES, CHRONIC ILLNESS, LIMITED MOBILITY- EXTRA-MURAL SOCIAL AND RECREATIONAL PROGRAMS FOR KIDS WITH AUTISM SPECTRUM DISORDER AND FOR THEIR FAMILIES - LEADERSHIP, VOLUNTEER SERVICE AND IN-KIND SUPPORT FOR LOCAL HEALTH CARE CHARITIES (E G , NORTHEAST REGIONAL CANCER INSTITUTE, AMERICAN HEART ASSOCIATION, ALZHEIMER'S ASSOCIATION, MUSCULAR DYSTROPHY ASSOCIATION, LEUKEMIA & LYMPHOMA SOCIETY, PARKINSON'S FOUNDATION, INDIVIDUAL ABILITIES IN MOTION, NATIONAL ALLIANCE FOR THE MENTALLY ILL, RONALD MCDONALD HOUSE CHARITIES OF NORTHEASTERN PENNSYLVANIA, AND OTHERS)- THE DEPAUL SCHOOL, AN ACCREDITED, YEAR-ROUND EDUCATIONAL PROGRAM FOR CHILDREN WITH DYSLEXIA AND OTHER LEARNING DISABILITIES- OPENING OUR FACILITIES (E G , MEETING AND DINING FACILITIES, GROUNDS, AND PEDIATRIC GYMS TO AREA NONPROFIT AND VOLUNTEER GROUPS THAT SERVE OUR COMMUNITY)THE NEIGHBORS, BUSINESSES AND GRANT-MAKERS THAT SUPPORT ALLIED ARE CRUCIAL TO ITS SUCCESS THEIR GENEROSITY ALLOWS US TO PROVIDE CARE TO THE UNINSURED AND UNDER-INSURED, TO CORRECT DEFICIENCIES AND FILL GAPS IN THE REGION'S HEALTH AND HUMAN SERVICE SYSTEMS, TO ENSURE CONTINUITY OF CARE WHEN PROGRAM FUNDING (E G , FROM PUBLIC GRANTS OR THIRD-PARTY PAYERS) IS INTERRUPTED, AND TO OFFER PATIENTS THE LATEST, MOST EFFECTIVE MEDICAL AND REHAB TECHNOLOGIES

Form and Line Reference	Explanation
PART VI, LINE 6	WITHOUT EXCEPTION, OUR AFFILIATE ORGANIZATIONS/PROGRAMS EACH PLAY UNIQUE AND CRITICAL FUNC TIONS IN OUR REGION'S CONTINUUM OF CARE FOR PERSONS WITH DISABILITIES AND THE AGED THESE INCLUDE ALLIED SKILLED NURSING & REHABILITATION CENTER, SCRANTON THE CENTER IS HOME TO SO ME 371 PERSONS WHOSE CHRONIC ILLNESS AND/OR SEVERE DISABILITIES DEMAND ROUND-THE-CLOCK, SK ILLED CARE THE CENTER IS RECOGNIZED FOR ITS SERVICES TO MEDICALLY-COMPLEX, TECHNOLOGY-DEP ENDENT PATIENTS, INCLUDING THOSE WHO NEED RESPIRATORS, HEMODIALYSIS OR SPECIALIZED PROGRAM S FOR DEMENTIA ABOUT 70% TO 80% OF SNRC RESIDENTS ARE ECONOMICALLY DISADVANTAGED (MEDICAI D-ELIGIBLE) A FAR HIGHER PERCENTAGE THAN MOST LONG-TERM CARE ORGANIZATIONS IN THE REGION AND STATE THESE ATTRIBUTES MAKE THE CENTER AN ESSENTIAL HEALTH CARE RESOURCE FOR A GROWIN G POPULATION OF SENIORS IN NORTHEASTERN AND CENTRAL PENNSYLVANIA, AS WELL AS THEIR PHYSICI ANS, CAREGIVERS AND FAMILIES ALLIED TERRACE THE TERRACE IS A MODERN, WELL-APPOINTED, FULL SERVICE ASSISTED LIVING FACILITY FOR SENIORS WHO ARE ABLE TO LIVE INDEPENDENTLY IF PROVID ED WITH HELP FOR MEALS, HOUSEKEEPING, LAUNDRY AND PERSONAL CARE CONSISTENT WITH NATIONAL AND REGIONAL TRENDS, THE TERRACE IS SERVING THE FAST-GROWING COMMUNITY OF SENIORS WHO ARE SUCCESSFULLY "AGING IN PLACE", THANKS TO INTENSIVE, HIGH-QUALITY SUPPORT SERVICES (E G , M EDICATION MANAGEMENT, IN-HOME HEALTH AND PERSONAL CARE) TO ENSURE THEIR CONTINUED HEALTH A ND SAFETY IN THIS WAY, ALLIED TERRACE IS EXTENDING AND ENRICHING THE LIVES OF ITS 60 RESI DENTS, WHILE REDUCING THEIR RISK (AND POTENTIAL COSTS) OF INJURY, DEBILITATION, ACUTE ILLN ESS, HOSPITALIZATION OR INSTITUTIONALIZATION ALLIED CONTINUING CARE RETIREMENT COMMUNITY ALLIED CCRC WAS FORMED IN 2006 FOR THE PURPOSES OF PROVIDING INDEPENDENT LIVING SERVICES IN SPACE LEASED FROM ALLIED TERRACE, SENIORS WHO ARE CAPABLE OF INDEPENDENTLY MANAGING AC TIVITIES OF DAILY LIVING (MEAL PREPARATION, LIGHT HOUSEKEEPING, SELF-CARE, ETC) OCCUPY TH ESE UNITS, WHILE ENJOYING FULL ACCESS TO THE TERRACE'S SOCIAL AND RECREATIONAL OPPORTUNITI ES TWO INDIVIDUALS OCCUPIED CCRC UNITS DURING THIS PERIOD VOCATIONAL SERVICES FOR OVER 5 0 YEARS, ALLIED'S VOCATIONAL SERVICES PROGRAMS HAVE PROVIDED TRAINING AND GAINFUL EMPLOYME NT TO TEENS AND ADULTS WITH PHYSICAL, INTELLECTUAL AND DEVELOPMENTAL DISABILITIES EACH YE AR, OVER 500 PARTICIPANTS ARE INVOLVED IN PROJECTS THAT ENHANCE THEIR SKILLS, EMPLOYABILIT Y AND SELF-RELIANCE WHILE OUR VOCATIONAL PROGRAMS DRAW UPON STATE AND FEDERAL TRAINING DO LLARS, THE JOBS THEMSELVES DEPEND UPON A CONTINUAL SUPPLY OF WORK FROM BUSINESS AND INDUST RY PARTNERS, FOR SERVICES SUCH AS PACKAGING, LIGHT ASSEMBLY, SORTING, SCANNING, MAILING, C LEANING AND LANDSCAPING ONGOING COMMUNITY FUNDRAISING ENSURES THAT ALLIED MAINTAINS THE S KILLED STAFF, SPECIALIZED EQUIPMENT AND FACILITIES TO KEEP THIS DIVERSE "ENTERPRISE" PRODU CTIVE AND GROWING THE RESULT TRAINING, JOB, EDUCATIONAL AND SOCIAL OPPORTUNITIES FOR DIS ABLED INDIVIDUALS WHO MIGHT OTHERWISE BE ISOLATED AND IDLE AT HOME DEVELOPMENTAL SERVICES FOR ADULTS WHO HAVE BOTH INTELLECTUAL AND PHYSICAL DISABILITIES/ILLNESSES, ALLIED'S INTER MEDIATE CARE FACILITY IS A COMFORTABLE, SAFE RESIDENTIAL ENVIRONMENT WHERE SKILLED NURSING AND PERSONAL SUPERVISION ARE AVAILABLE "24-7" RESIDENTS RECEIVE MEALS, PERSONAL CARE (DR ESSING, BATHING, GROOMING, ETC), MEDICAL AND MEDICATION MANAGEMENT, SOCIAL AND RECREATION AL PROGRAMS IN A HOME-LIKE SETTING FOR CONSUMERS WHO ARE ABLE TO LIVE MORE INDEPENDENTLY, ALLIED OFFERS A RANGE OF COMMUNITY LIVING OPTIONS IN SMALL GROUP HOMES THROUGHOUT THE REG ION IN ALL PROGRAM SETTINGS, HOWEVER, OUR DEVELOPMENTAL PROGRAMS HAVE MET A GROWING REGIO NAL DEMAND FOR RESIDENTIAL CARE FOR OLDER ADULTS WHOSE INTELLECTUAL AND COMPLEX PHYSICAL D ISABILITIES/MEDICAL CONDITIONS DEMAND MORE INTENSIVE, SPECIALIZED LEVELS OF CARE AT THE U RGING OF LOCAL AND REGIONAL AUTHORITIES, ALLIED HAS ASSUMED THIS ROLE WITH A LONG AND SUC CESSFUL TRACK RECORD IN MEDICAL REHAB, LONG-TERM CARE, SKILLED NURSING AND PROGRAM MANAGEM ENT, ALLIED IS UNIQUELY QUALIFIED TO MEET THE DEMAND BEHAVIORAL SERVICES SIMILARLY, OUR B EHAVIORAL SERVICES HAVE EXPANDED BOTH GEOGRAPHICALLY AND PROGRAMMATICALLY IN RECENT YEARS, PROVIDING SPECIALIZED RESIDENTIAL AND COMMUNITY-BASED SERVICES TO THE CHRONICALLY MENTALL Y ILL STAFF MEMBERS WORK WITH CONSUMERS AS THEY RE-CONNECT WITH JOBS, FAMILIES, PEER AND COMMUNITY RESOURCES AND AS THEY PURSUE SOBRIETY, PHYSICAL AND MENTAL HEALTH, AND INDEPENDE NT LIVING THROUGH AN INTENSIVE PROGRAM OF COUNSELING AND BEHAVIORAL SUPPORTS, THE PROGRAM ATTACKS LONGSTANDING PATTERNS OF MENTAL HEALTH CRISES, HOSPITALIZATION AND/OR INSTITUTION ALIZATION (AND RELATED "COSTS" TO INDIVIDUALS AND COMMUNITIES) ALLIED PROJECT OPPORTUNITY LOCATED IN JERMYN, (LACKAWANNA COUNTY) PA , THE SIX UNITS OF HOUSING ARE MANAGED BY ALLIE D'S BEHAVIORAL HEALTH DIVISION INDIVIDUALS WHO ARE RECOVERING FROM CHRONIC MENTAL HEALTH PROBLEMS FIND SAFE, PLEASANT, AFFORDABLE ACCOMMODA

Form and Line Reference	Explanation
PART VI, LINE 6	TIONS AT PROJECT OPPORTUNITY, SUBSIDIZED BY THE HUD SECTION 8 PROGRAM HOME HEALTH & IN-HOM E SERVICES THESE PROGRAMS PROVIDE ESSENTIAL MEDICAL AND SUPPORT SERVICES TO PERSONS WITH DISABILITIES THROUGHOUT A 23-COUNTY AREA OF NORTHEASTERN/CENTRAL PENNSYLVANIA REGISTERED NURSES, PHYSICAL AND OCCUPATIONAL THERAPISTS, PERSONAL CARE AND HOME CARE WORKERS HELP KEE P THEM HEALTHY AND SAFE AT HOME ACTIVITIES RANGE FROM MAKING MEALS OR DOING HOUSEHOLD CHO RES, OR MONITORING THE PATIENT'S PHYSICAL AND MENTAL HEALTH, TO ADDRESSING MEDICAL OR POST -SURGICAL NEEDS SUCH AS WOUND DRESSING, MEDICATION MANAGEMENT, ETC THE HEALTH EDUCATION, MEDICAL SUPPORT, PRACTICAL ASSISTANCE AND CASE MANAGEMENT PROVIDED BY IN-HOME AND HOME HEA LTH PROFESSIONALS ARE ESSENTIAL TO THE HEALTH, LIFE QUALITY AND INDEPENDENCE OF THEIR CONS UMERS ABSENT SUCH PROGRAMS, EXTENDED HOSPITALIZATIONS, RE-HOSPITALIZATION AND/OR INSTITUT IONALIZATION WOULD BE UNAVOIDABLE ALLIED SERVICES FOUNDATION THE FOUNDATION IS THE COMMUN ITY RELATIONS AND FUNDRAISING ARM OF ALLIED SERVICES THE FOUNDATION'S FUNDRAISING APPEALS , SPONSORSHIP AND GRANT SOLICITATIONS GENERATE SUPPORT FOR ALLIED'S PEDIATRIC PROGRAMS, DE PAUL SCHOOL, VOCATIONAL PROGRAMS AND OTHER COMMUNITY SERVICES THIS DEPARTMENT ALSO COORDI NATES THE COMMUNITY VOLUNTEERS AND EMPLOYEE VOLUNTEERS WHO HELP TO RAISE FUNDS AND PROVIDE IN-KIND, NON-MEDICAL SERVICES TO OUR RESIDENTS, PATIENTS AND CONSUMERS PUBLIC RELATIONS, OUTREACH, INTERNAL COMMUNICATIONS, CHARITABLE FUND COMPLIANCE AND ACCOUNTABILITY ARE ALSO AMONG THE FOUNDATION'S DUTIES

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	PA

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
INSTITUTE OF REHABILITATION MEDICINE	PART V, SECTION B, LINE 3 THE FOLLOWING NARRATIVE PRESENTS THE RESEARCH METHODS USED AND STAKEHOLDER GROUPS INTERVIEWED DURING THE PREPARATION OF THE CHNA RESEARCH METHODSSURVEYS IN AUGUST OF 2012, A HOUSEHOLD SURVEY OF LACKAWANNA AND LUZERNE COUNTY RESIDENTS WAS COND UCTED IN ORDER TO GAIN AN UNDERSTANDING OF THE COUNTIES' HEALTH NEEDS THE SURVEY WAS SENT TO 12,000 RESIDENTS, WHOSE ADDRESSES WERE DRAWN AT RANDOM BY A COMMERCIAL RANDOM SAMPLING ORGANIZATION OF THOSE MAILED, 2,014 (17 PERCENT) WERE RETURNED AND MARKED "UNDELIVERABLE " BY THE POST OFFICE DUE TO INACCURATE OR PARTIAL ADDRESSES OR BECAUSE THE RECIPIENT HAD M OVED AND THERE WAS NO FORWARDING ADDRESS FIFTEEN WERE DEEMED UNUSABLE ANOTHER FIFTEEN SU RVEYS WERE RECEIVED AFTER THE DEADLINE AND WERE NOT INCLUDED IN THE ANALYSIS THE NUMBER OF SURVEYS WAS CHOSEN TO EXCEED 5 PERCENT OF THE HOUSEHOLDS AND ACCOUNT FOR UNUSABLE SURVEYS THE MINIMUM GOAL WAS A 95 PERCENT CONFIDENCE INTERVAL, WITH A 5 PERCENT MARGIN OF ERROR THIS WOULD HAVE REQUIRED A MINIMUM OF 377 RESPONSES THE INSTITUTE SURPASSED THAT GOAL BY RECEIVING A TOTAL OF 1,457 USEABLE SURVEYS RETURNED, RESULTING IN A 12 1 PERCENT RESPONSE RATE, WHICH IS SLIGHTLY LESS THAN A 3 PERCENT MARGIN OF ERROR ADDITIONALLY, 200 SPANISH LANGUAGE SURVEYS WERE PREPARED AND DISTRIBUTED TO LOCAL HISPANIC CHURCHES AND FREE MEDICAL CLINICS IN LACKAWANNA AND LUZERNE COUNTIES A LOCAL HOUSING AGENCY ALSO HELPED DISTRIBUTE SPANISH LANGUAGE SURVEYS OVERALL, FOUR PERCENT OF THE HISPANIC POPULATION RESPONDED ANO THER 200 SURVEYS WERE DISTRIBUTED TO AFRICAN AMERICAN AND OTHER MINORITY OR IMMIGRANT POPU LATIONS THESE SURVEYS WERE DISTRIBUTED THROUGH LOCAL YOUTH ORGANIZATIONS AND FREE MEDICAL CLINICS OVERALL, THREE PERCENT OF THE AFRICAN AMERICAN POPULATION RESPONDED THE SURVEY WAS PREFACED WITH THE PURPOSE, INSTRUCTIONS, AND AN INFORMED CONSENT THE INFORMED CONSENT INDICATED THE SURVEY'S PURPOSE, CONTACT INFORMATION FOR THE CONSULTANTS AND THE SPONSORIN G ORGANIZATION, ALONG WITH LANGUAGE EXPLAINING THE RESPONDENT'S RIGHT TO ASK QUESTIONS AND THE RIGHT TO SKIP QUESTIONS THE INFORMED CONSENT INDICATED THAT ALL RESPONSES WOULD BE K EPT CONFIDENTIAL AND PRESENTED IN AGGREGATE FORM THE CONSENT INDICATED THAT THE ONLY PART IES THAT WOULD SEE THE INDIVIDUAL SURVEYS WERE THE PROJECT CONSULTANTS THIS INFORMED CONS ENT MET ALL FEDERAL STANDARDS ESTABLISHED FOR THE PROTECTION OF HUMAN SUBJECT RIGHTS IN RE SEARCH THE WILKES UNIVERSITY INSTITUTIONAL REVIEW BOARD (IRB) REVIEWED AND APPROVED ALL O F THE PRIMARY RESEARCH INSTRUMENTS AND INFORMED CONSENTS THE SURVEY RESPONSES WERE UPLOAD ED INTO THE STATISTICAL PACKAGES FOR THE SOCIAL SCIENCES (SPSS) SPSS IS AN INTEGRATED SOF TWARE PROGRAM USED FOR THE ANALYTICAL DATA ANALYSIS A VERIFICATION PROCESS WAS PERFORMED THROUGH FACT CHECKING THE DATA ENTERED INTERVIEWS A TOTAL OF SIXTEEN INTERVIEWS WERE COND UCTED WITH 26 STAKEHOLDERS THE FOLLOWING GROUPS WERE REPRESENTED -MAJOR EMPLOYERS -FEDER ALLY QUALIFIED HEALTH CENTER AND A FREE MEDICAL CLINIC -PENNSYLVANIA DEPARTMENT OF PUBLIC HEALTH -SOCIAL SCIENTISTS/RESEARCHERS -PHILANTHROPIST AND HEALTH POLICY ADVISOR -DISEASE-B ASED ORGANIZATION -SOCIAL SERVICE ORGANIZATION -MENTAL AND BEHAVIORAL HEALTH ORGANIZATIONS -EPIDEMIOLOGY/ENVIRONMENTAL SPECIALISTS -PRIMARY CARE PHYSICIAN -SURGEON -MEDICAL TECHNOL OGIST/CLINICAL LABORATORY -INSURER CARE WAS TAKEN TO INTERVIEW STAKEHOLDERS THAT EITHER RE PRESENTED THE ENTIRE STUDY REGION OR TO INTERVIEW REPRESENTATIVES FROM EACH COUNTY REPRESE NTING ONE OF THE AFOREMENTIONED AFFILIATIONS INTERVIEWS RANGED FROM 45 MINUTES TO THREE H OURS IN DURATION INTERVIEWS WERE SEMI-STRUCTURED PROMPTS WERE USED ON OCCASION AND EACH INTERVIEWEE HAD THE OPPORTUNITY TO ADD OPEN COMMENTS AT THE END INTERVIEWER NOTES AND PER IPHERAL MATERIAL PROVIDED BY THE INTERVIEWEE WERE USED IN THE SUMMATION OF THE INTERVIEW S ECTION FOCUS GROUPS THE INSTITUTE IDENTIFIED HIGH-PRIORITY STAKEHOLDERS REPRESENTING VARI OUS SEGMENTS OF THE COMMUNITY IN ORDER TO ASSESS THE UNIQUE HEALTH CARE NEEDS OF SPECIFIC GROUPS THE FOLLOWING FOCUS GROUPS WERE CONDUCTED -HISPANIC/LATINO COMMUNITY -AFRICAN AME RICAN COMMUNITY (2 SEPARATE GROUPS) -IMPOVERISHED -AGING -PHYSICALLY & MENTALLY CHALLENGED -YOUTH -CHRONIC DISEASE/PUBLIC HEALTH ORGANIZATIONS -MAJOR EMPLOYERS -BEHAVIORAL BASED (S UBSTANCE ABUSE) ORGANIZATIONS THE SESSIONS WERE ANALYZED USING BOTH INTERVIEWER NOTES AS W ELL AS KEYWORD ANALYSIS THROUGH THE USE OF THE INSTITUTE'S QUALITATIVE ANALYSIS SOFTWARE THE SESSIONS WERE DIGITALLY RECORDED AND WILL BE STORED ON THE WILKES UNIVERSITY SECURE NE TWORK FOR 24 MONTHS FOLLOWING COMPLETION OF THE PROJECT SECONDARY DATA SECONDARY DATA WAS PROCURED FROM THE PENNSYLVANIA DEPARTMENT OF HEALTH, THE U S CENSUS BUREAU AND THE CENTER FOR RURAL PENNSYLVANIA, THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM (BRFSS), AND THE C OUNTY HEALTH RANKINGS PREPARED BY THE UNIVERSITY OF WISCONSIN POPULATION HEALTH INSTITUTE AND THE ROBERT WOOD JOHNSON FOUNDATION THE DATA I

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
INSTITUTE OF REHABILITATION MEDICINE	NCLUDE DEMOGRAPHIC AND ECONOMIC INDICATORS, HEALTH STATUS, INCIDENCE OF DISEASES, AND INSU RANCE STATUS ADDITIONALLY, THE DATA WERE BENCHMARKED AGAINST STATEWIDE INDICATORS DATA RE GARDING THE HEALTH CARE DELIVERY SYSTEM WAS PROCURED FROM THE PENNSYLVANIA DEPARTMENT OF H EALTH, PENNSYLVANIA COST CONTAINMENT COUNCIL, THE LOCAL PARTICIPATING HOSPITALS, PENNSYLVA NIA HEALTH CARE ASSOCIATION, AND THE U S DEPARTMENT OF HEALTH PATIENT PERCEPTION AN ELEC TRONIC SURVEY WAS DISTRIBUTED TO MEMBERS OF THE LACKAWANNA AND LUZERNE COUNTY MEDICAL SOCI ETIES, MEMBERS OF WHICH ARE ALLOPATHIC (MD) AND OSTEOPATHIC (DO) PHYSICIANS FROM BOTH ORG ANIZATIONS, 525 MEMBERS RECEIVED THE LINK THE RESPONSE RATE WAS 4 4 PERCENT, WHICH IS A V ERY LOW RESPONSE RATE FOUR PRIMARY CARE AND SPECIALTY PHYSICIANS CONSENTED TO ONE-TO-ONE INTERVIEWS FINALLY, FOUR INDIVIDUALS OR PATIENTS PARTICIPATED IN ONE-TO-ONE INTERVIEWS H OSPITAL DATA HOSPITAL UTILIZATION DATA AND PHYSICIAN/SPECIALTY DATA WERE PROVIDED BY EACH INSTITUTION INVOLVED IN THE CHNA PROCESS AS NOTED BELOW DATA WERE PROVIDED FOR THE 2011 C ALENDAR YEAR IT SHOULD BE NOTED HOWEVER, THAT ALL THE INSTITUTIONS WERE ENGAGED IN MERGER S/ACQUISITIONS OR SYSTEM UPGRADES DURING THE TIME PERIOD, THEREFORE CURRENT PHYSICIAN COUN TS MAY BE DIFFERENT PATIENT EXPORT DATA ALLONE HEALTH PROVIDED PATIENT EXPORT DATA DATA WERE PROVIDED FOR MEMBERS WHO LIVED IN LUZERNE AND LACKAWANNA COUNTIES BETWEEN 2009 AND 20 11 FOR EACH REPORT, UTILIZATION DATA OUTSIDE AND INSIDE BLUE CROSS OF NORTHEASTERN PENNSY LVANIA'S THIRTEEN-COUNTY SERVICE AREA WERE PRESENTED THE SERVICE AREA INCLUDES BRADFORD, CARBON, CLINTON, LACKAWANNA, LUZERNE, LYCOMING, MONROE, PIKE, SULLIVAN, SUSQUEHANNA, TIOGA , WAYNE AND WYOMING COUNTIES THE INFORMATION IN EACH FILE WAS AS FOLLOWS INPATIENT ADMI SSIONS BY CLINICAL CONDITION AND ADMISSIONS BY CLINICAL CONDITION AND BY PROVIDER CITY AN D STATE OF THE PROVIDER WERE PRESENTED WHEN AVAILABLE OUTPATIENT THE DATA INCLUDED A SUMM ARY OF ALL OF NON-HOSPITAL VISITS BY CLINICAL CONDITION, DETAILS OF NON-HOSPITAL VISITS BY CLINICAL CONDITION AND BY PROVIDER TYPE, SUMMARY OF THE HOSPITAL VISITS BY CLINICAL CONDI TION, AND THE HOSPITAL VISITS BY CLINICAL CONDITION AND BY PROVIDER INCLUDING THE CITY, AN D STATE WHEN AVAILABLE RELATIVE RISK SCORE THIS FILE SHOWS THE RELATIVE RISK SCORE OF TH OSE MEMBERS WHO HAD AT LEAST ONE IN-PATIENT ADMISSION OUTSIDE BCNEPA'S SERVICE AREA, COMPA RED WITH THOSE MEMBERS WHO HAD IN-PATIENT ADMISSIONS ONLY INSIDE THE SERVICE AREA THE HIG HER THE SCORE, THE HIGHER THE PATIENT RISK THE COMPARISON SHOWED THAT THOSE MEMBERS WITH IN-PATIENT ADMISSIONS OUTSIDE THE SERVICE AREA HAD A SIGNIFICANTLY HIGHER RISK SCORE AND P RESUMABLY HAD SIGNIFICANTLY MORE COMPLEX ISSUES THAN THOSE WHO HAD IN-PATIENT ADMISSIONS O NLY INSIDE THE SERVICE AREA ASSET MAP THE DATA FROM THE ASSET MAP WAS SECURED THROUGH INT ERNET SEARCHES OF PROVIDERS AND PROGRAMS, INFORMATION FROM INTERVIEWEES AND FOCUS GROUP PA RTICIPANTS AND THE PHONE BOOK THE MAP DETAILED HEALTH CARE PROGRAMS, RESOURCES AND INITIA TIVES COORDINATED BY NON-PROFIT ORGANIZATIONS AND GOVERNMENT THE CATEGORIES INCLUDED, BUT WERE NOT LIMITED TO AGING, DISEASE BASED, TEEN PREGNANCY, SUICIDE, LOW-INCOME, BEHAVIORA L AND MENTAL HEALTH PROGRAMS AND SERVICES

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
INSTITUTE OF REHABILITATION MEDICINE	PART V, SECTION B, LINE 4 YES OTHER PARTICIPATING HOSPITALS INCLUDED GEISINGER COMMUNITY MEDICAL CENTER, CHS WYOMING VALLEY HEALTH CARE, MOSES TAYLOR HOSPITAL, REGIONAL HOSPITAL OF SCRANTON, COMMONWEALTH HEALTH SYSTEM

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
INSTITUTE OF REHABILITATION MEDICINE	PART V, SECTION B, LINE 7 THE FOLLOWING EXCERPT FROM ALLIED SERVICES IMPLEMENTATION STRATEGIES LISTS THOSE ISSUES THAT, ALTHOUGH IDENTIFIED IN THE CHNA, WERE NOT ADDRESSED WITHIN THE IMPLEMENTATION PLAN THE FOLLOWING CHNA-IDENTIFIED NEEDS WILL NOT BE ADDRESSED 1 THE PERCEPTION OF [POOR] QUALITY MUST BE ADDRESSED WITH MEDICAL PROFESSIONALS AND RESIDENTS/PATIENTS 2 PHYSICIAN SKILLS, SUCH AS TIME MANAGEMENT AND CUSTOMER SERVICE, ARE NEEDED 3 PHYSICIAN SHORTAGE MUST BE ADDRESSED 4 LACKAWANNA AND LUZERNE COUNTIES FALL BEHIND THE COMMONWEALTH IN SEVERAL AREAS WITH REGARD TO HEALTH STATUS AND PHYSICIANS PER CAPITA 5 THERE IS A PERCEPTION OF POOR QUALITY OF CARE WITHIN THE REGION 6 RESPONDENTS ARE DISAPPOINTED BY THE LACK OF RESPECT AND LACK OF COOPERATION WITHIN THE HEALTH CARE SYSTEM 7 RESEARCH AND INNOVATION IMPROVE PERCEPTIONS OF QUALITY 8 PRIMARY CARE PHYSICIANS SEE THAT THE QUALITY OF SPECIALISTS IS AN ISSUE 9 PRIMARY CARE PHYSICIANS SEE THE WAIT TIME TO SEE SPECIALISTS, COUPLED WITH TESTING, PROGNOSIS AND TREATMENT PLAN, AS A PROBLEM RESPONSE FOUNDED IN 2009, THE COMMONWEALTH MEDICAL COLLEGE (TCMC) HAS SERVED AS A CONVENER AND CATALYST FOR COMMUNITY EFFORTS TO IMPROVE THE HEALTH OF NORTHEASTERN AND CENTRAL PENNSYLVANIANS TCMC WAS FOUNDED FOR THE EXPRESS PURPOSE OF INCREASING THE REGION'S SUPPLY OF PHYSICIANS AND SPECIALISTS, AND HAS RECEIVED WIDESPREAD PUBLIC SUPPORT MOREOVER, THE COLLEGE HAS TAKEN A LEADERSHIP ROLE IN REGIONAL POPULATION HEALTH RESEARCH AND NEEDS ASSESSMENTS (INCLUDING THE 2012 CHNA) OUR SUPPORT OF TCMC INCLUDES OFFERING EXTENDED INTERNSHIP AND "SHADOWING" OPPORTUNITIES FOR MEDICAL STUDENTS, PRESENTATIONS, LECTURES, MENTORING OF MEDICAL STUDENTS BY ALLIED CLINICIANS AND ADMINISTRATORS WITH REGARD TO THE FINDINGS LISTED ABOVE (ITEMS 1 THROUGH 9), ALLIED PREFERS TO COMPLEMENT AND INDIRECTLY SUPPORT, RATHER THAN DUPLICATE, TCMC'S WORK AND CONTINUING EFFORTS TO EDUCATE HIGHLY-QUALIFIED PHYSICIANS THAT WILL SERVE OUR REGION FURTHER, SOME OF THESE FINDINGS (E G , PHYSICIAN COMMUNICATION/ATTITUDES, PHYSICIAN-PATIENT COMMUNICATIONS, OUT-MIGRATION OF PATIENTS) MAY BE TARGETED FOR COLLABORATIVE ACTION BY THE HEALTHY NORTHEAST PENNSYLVANIA INITIATIVE, THE INSTITUTE FOR PUBLIC POLICY & ECONOMIC DEVELOPMENT ALLIED IS A MEMBER OF BOTH OF THESE ORGANIZATIONS 10 RESPONDENTS ARE IN OVERALL GOOD HEALTH 11 BASED ON RESEARCH RESULTS, INCOME AND MENTAL HEALTH STATUS ARE RELATED 12 THERE ARE A HIGH NUMBER OF OVERWEIGHT AND OBESE RESIDENTS 13 THERE ARE MANY LOW INCOME RESIDENTS 14 SUBSTANCE ABUSE IS A PROBLEM IN THE REGION 15 THERE IS A STRONG CORRELATION BETWEEN SUBSTANCE ABUSE AND POVERTY 16 SOCIAL SERVICE RESOURCES ARE DISJOINTED AND STRESSED RESPONSE AS NORTHEASTERN PENNSYLVANIA'S LEADING PROVIDER OF CARE TO PERSONS WITH DISABILITIES AND CHRONIC ILLNESS, ALLIED SERVICES INTEGRATED HEALTH SYSTEM IS SERVING A POPULATION THAT IS DISPROPORTIONATELY AFFECTED BY POOR PHYSICAL HEALTH, OBESITY, POVERTY, UNEMPLOYMENT, AND POOR MENTAL HEALTH AS MENTIONED ABOVE, A VARIETY OF DEPARTMENTS AND PROFESSIONS PLAY A PART IN HELPING OUR PATIENTS/CONSUMERS TO SECURE APPROPRIATE SERVICES FROM OTHER HEALTH, HUMAN SERVICE, SOCIAL SERVICE, AND HEALTH INSURANCE PROGRAMS ALLIED SUPPORTS (AND AVOIDS DUPLICATING) THE EFFORTS OF NONPROFITS THAT PROVIDE SOCIAL SERVICES, JOB TRAINING, SOBRIETY/SUBSTANCE ABUSE COUNSELING TO INDIVIDUALS, AND OF AGENCIES THAT PROMOTE REGIONAL ECONOMIC DEVELOPMENT OUR SUPPORT TAKES THE FORM OF VOLUNTARY CONTRIBUTIONS, FREE MEETING SPACE OR OTHER IN-KIND ASSISTANCE, AND "RELEASE TIME" FOR STAFF WHO WISH TO TAKE PART AS VOLUNTEERS 17 EACH INSURER IS USING A DIFFERENT METHODOLOGY TO REACH PLAN PARTICIPANTS ABOUT WELLNESS PROGRAMS 18 NAMES OF RENOWNED FACILITIES IMPROVE PERCEPTIONS OF QUALITY 19 FACILITY DESIGN AND DECOR IMPACT QUALITY PERCEPTION RESPONSE SEVERAL OF THE CONCLUSIONS LISTED IN THE CHNA (ITEMS 17 19, ABOVE) ARE BASED ON THE OPINIONS OF CHNA SURVEY RESPONDENTS THESE STATEMENTS ARE NOT INDICATIVE OF SPECIFIC COMMUNITY NEEDS OR PUBLIC HEALTH PROBLEMS WE PROPOSE NO STRATEGIES TO ADDRESS THESE COMMENTS

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
INSTITUTE OF REHABILITATION MEDICINE	PART V, SECTION B, LINE 18E PATIENTS ARE NOTIFIED OF ALLIED'S FINANCIAL ASSISTANCE PROGRAM UPON REGISTRATION WHEN THE PATIENT'S INSURANCE BENEFITS ARE BEING DISCUSSED FINANCIAL ASSISTANCE APPLICATIONS ARE AVAILABLE IN ALL OUTPATIENT CLINICS AND ON ALLIED'S WEBSITE EACH INVOICE SENT TO PATIENTS HAS A NOTE STATING THAT WE OFFER FINANCIAL ASSISTANCE AND A PHONE NUMBER TO CALL ALSO, WHEN PATIENTS CALL THIS OFFICE ABOUT THEIR BILL AND INDICATE IT IS A FINANCIAL HARDSHIP, FINANCIAL ASSISTANCE IS OFFERED DURING THE COLLECTION PROCESS, FINANCIAL ASSISTANCE IS OFFERED IF THE PATIENT INDICATES A HARDSHIP

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
INSTITUTE OF REHABILITATION MEDICINE	PART V, SECTION B, LINE 20D SLIDING SCALE BASED ON POVERTY INCOME GUIDELINES

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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, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE

Employer identification number
23-2523395

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**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
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**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or 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)WILLIAM P CONABOY ESQ DIRECTOR	(i)	0	0	0	0	0	0	0
	(ii)	546,481	0	0	139,900	14,992	701,373	0
(2)MICHAEL AVVISATO ASSISTANT SECRETARY & TREASURER	(i)	0	0	0	0	0	0	0
	(ii)	298,890	0	0	50,945	15,730	365,565	0
(3)ROBERT COLE VICE PRESIDENT OF SYSTEM IMPROVEMENT	(i)	160,226	0	0	0	13,677	173,903	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 3	THE PRESIDENT, WILLIAM CONABOY, IS COMPENSATED BY ALLIED HEALTH CARE SERVICES ("AHCS"), A RELATED ORGANIZATION AHCS USES THE FOLLOWING METHODS TO DETERMINE HIS COMPENSATION COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, WRITTEN EMPLOYMENT CONTRACT, COMPENSATION SURVEY OR STUDY, AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
PART I, LINE 4B	WILLIAM CONABOY ESQ AND MICHAEL AVVISATO PARTICIPATE IN A RABBI TRUST NON-QUALIFIED DEFERRED COMPENSATION PLAN NO DISTRIBUTIONS WERE MADE IN 2013

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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.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE

Employer identification number
23-2523395

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	WYOMING INDUSTRIAL DEVELOPMENT AUTHORITY	24-6000762		07-03-2012	6,888,986	TO REFINANCE PRIOR ISSUED BONDS		X		X		X
B	WYOMING INDUSTRIAL DEVELOPMENT AUTHORITY	24-6000762		07-19-2012	5,409,039	TO REFINANCE PRIOR ISSUED BONDS & FOR BUILDING IMPROVEMENTS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	6,888,986	5,409,039		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	6,888,986	5,409,039		
12	Other unspent proceeds				
13	Year of substantial completion	2012	2012		

		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					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		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				
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					

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				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X				
b	Exception to rebate?	X		X					
c	No rebate due?		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				
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

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				
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				
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
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					

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

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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.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE

Employer identification number
23-2523395

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE MEMBERS OF ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE (THE "HOSPITAL") SHALL BE THOSE PERSONS SERVING FROM TIME TO TIME AS MEMBERS OF THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF ALLIED SERVICES FOUNDATION (THE "FOUNDATION"), IN EACH CASE TO SERVE IN SUCH CAPACITY AT THE DISCRETION OF THE FOUNDATION, AND SUBJECT TO REMOVAL BY THE FOUNDATION AT ANY TIME, WITH OR WITHOUT CAUSE

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	AS DOCUMENTED IN THE HOSPITAL'S BY LAWS, THE MEMBERS, AT THEIR ANNUAL MEETING, SHALL ELECT THE PRESIDENT OF THE BOARD FROM AMONG THE NOMINEES FOR SUCH OFFICE SUBMITTED TO THE MEMBERS BY THE PRESIDENT OF THE FOUNDATION

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 WAS REVIEWED IN DETAIL BY THE CHAIRMAN OF THE BOARD AND THE CHAIRMAN OF THE AUDIT COMMITTEE. THE BOARD OF DIRECTORS IS NOTIFIED AND GIVEN ACCESS TO THE 990 VIA A WEBLINK PRIOR TO FILING WITH THE IRS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	ALLIED SERVICES CONFLICT OF INTEREST POLICY COVERS BOARD MEMBERS DOWN TO DEPARTMENT HEADS AS WELL AS ANY STAFF THAT ARE INVOLVED IN THE PURCHASING PROCESS ALL COVERED PERSONS MUST COMPLETE AN ANNUAL CONFLICT STATEMENT IF A TRANSACTION IS PROPOSED INVOLVING A CONFLICT, THE BOARD INVESTIGATES ALTERNATIVES FOR THE TRANSACTION AND MAKES A DETERMINATION IF A MORE ADVANTAGEOUS ARRANGEMENT CAN BE MADE MEMBERS INVOLVED IN THE CONFLICT MUST ABSTAIN FROM VOTING ON SUCH MATTERS ANY VIOLATIONS OF THE POLICY ARE HANDLED AS NECESSARY FROM REPRIMAND TO TERMINATION FROM THE BOARD OR EMPLOYMENT, DEPENDING ON THE SEVERITY OF THE OFFENSE COMPLIANCE WITH THIS POLICY IS MONITORED BY THE VICE PRESIDENT OF HUMAN RESOURCES

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	ALLIED PARTICIPATES IN MULTIPLE REGIONAL SALARY SURVEYS, TWO OF WHICH ARE THE SOCIETY OF HEALTHCARE HUMAN RESOURCES OF PENNSYLVANIA AND THE APPALACHIAN HEALTHCARE HUMAN RESOURCES SOCIETY, TO DETERMINE MARKET COMPETITIVENESS, AND CONSIDERS THE EXTERNAL MARKET AS A FACTOR IN THE JOB EVALUATION PROCESS COMPENSATION FOR OFFICERS AND KEY EMPLOYEES IS REVIEWED BY A COMPENSATION COMMITTEE OF THE BOARD INCREASES ARE RECOMMENDED BY THE COMMITTEE AND APPROVED BY THE BOARD OF DIRECTORS BASED ON THE EXTERNAL SURVEYS AND INTERNAL REVIEWS THIS PROCESS IS DOCUMENTED BY THE COMPENSATION COMMITTEE AND THE BOARD OF DIRECTORS FOR ALL OTHER EMPLOYEES, ALLIED SERVICES FOLLOWS AN INTERNAL JOB EVALUATION PROCESS, ADMINISTERED BY A CROSS DIVISIONAL JOB EVALUATION TEAM COMPRISED OF DIRECTORS AND ASSISTANT VICE PRESIDENTS THE JOB EVALUATION PROCESS IS BASED ON A FOURTEEN POINT FACTOR SYSTEM AND INTERNAL ALIGNMENT WITHIN JOB CLASSIFICATION THIS PROCESS IS DOCUMENTED AND LABOR GRADE RECOMMENDATIONS BASED ON BOTH INTERNAL AND EXTERNAL RESULTS ARE MADE TO THE DIVISIONAL VICE PRESIDENT AND VICE PRESIDENT OF HUMAN RESOURCES FOR FINAL APPROVAL

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

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	NURSING PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 175,763 TOTAL EXPENSES 175,763 PHARMACY PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 100,476 TOTAL EXPENSES 100,476 LAB PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 102,153 TOTAL EXPENSES 102,153 RADIOLOGY PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 82,522 TOTAL EXPENSES 82,522 PHYSIATRIST PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 412,250 TOTAL EXPENSES 412,250 OUTSIDE SERVICES AND AMBULATORY SERVICES PROF FEES PROGRAM SERVICE EXPENSES 127,980 TOTAL EXPENSES 127,980 OTHER PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 51,482 MANAGEMENT AND GENERAL EXPENSES 15,304 TOTAL EXPENSES 66,786 CONSULTING FEES MANAGEMENT AND GENERAL EXPENSES 39,507 TOTAL EXPENSES 39,507 CORPORATE PURCHASED SERVICES MANAGEMENT AND GENERAL EXPENSES 2,871,437 TOTAL EXPENSES 2,871,437

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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" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE

Employer identification number
23-2523395

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) 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" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e	Yes	
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		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		No
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	Yes	
q Reimbursement paid by related organization(s) for expenses	1q		No
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		No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved

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

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

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

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 23-2523395
Name: ALLIED SERVICES INSTITUTE OF REHABILITATION MEDICINE

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ALLIED SERVICES CONTINUING CARE 100 TERRACE LANE SCRANTON, PA 18508 20-4472148	PROVIDE INDEPENDENT LIVING SERVICES	PA	501(C)(3)	11A	ALLIED SERVICES FOUNDATION		No
(1) ALLIED HEALTH CARE SERVICES 100 ABINGTON EXECUTIVE PARK CLARKS SUMMIT, PA 18411 24-0860110	PROVIDE HEALTH CARE SERVICES TO ELDERLY AND MENTALLY CHALLENGED	PA	501(C)(3)	3	ALLIED SERVICES FOUNDATION		No
(2) ALLIED SERVICES FOUNDATION 100 ABINGTON EXECUTIVE PARK CLARKS SUMMIT, PA 18411 23-2523682	INVESTED FUNDS FOR RELATED ENTITIES TO SUPPORT THEIR MISSIONS	PA	501(C)(3)	7	N/A		No
(3) ALLIED PROJECT OPPORTUNITY 100 ABINGTON EXECUTIVE PARK CLARKS SUMMIT, PA 18411 23-2523680	PROVIDE LOW INCOME HOUSING	PA	501(C)(3)	9	ALLIED HEALTH CARE SERVICES		No
(4) ALLIED NORTHEAST APARTMENTS 100 ABINGTON EXECUTIVE PARK CLARKS SUMMIT, PA 18411 23-2523679	INACTIVE	PA	501(C)(3)	9	ALLIED HEALTH CARE SERVICES		No
(5) ALLIED SERVICES PERSONAL CARE INC 100 ABINGTON EXECUTIVE PARK CLARKS SUMMIT, PA 18411 23-2862231	OPERATE A PERSONAL CARE FACILITY	PA	501(C)(3)	3	ALLIED SERVICES FOUNDATION		No
(6) ALLIED SERVICES SKILLED NURSING CENTER 100 ABINGTON EXECUTIVE PARK CLARKS SUMMIT, PA 18411 23-2523688	OPERATE A SKILLED AND INTERMEDIATE NURSING FACILITY	PA	501(C)(3)	3	ALLIED SERVICES FOUNDATION		No
(7) THE BURNLEY WORKSHOP OF THE POCONOS INC 4219 MANOR DRIVE STROUDSBURG, PA 18360 23-1642528	OPERATE A VOCATIONAL REHABILITATION FACILITY	PA	501(C)(3)	7	ALLIED HEALTH CARE SERVICES		No
(8) JOHN HEINZ INSTITUTE OF REHABILITATION MEDICINE 100 ABINGTON EXECUTIVE PARK CLARKS SUMMIT, PA 18411 23-2262852	OPERATE A REHABILITATIVE HOSPITAL	PA	501(C)(3)	3	ALLIED SERVICES FOUNDATION		No
(9) RISK RETENTION GROUP 1327 ASHLEY RIVER ROAD BLDG C SUITE CHARLESTON, SC 29401 20-1177431	PROVIDE INSURANCE, CLAIMS DEFENSE, ADMINISTRATION & INDEMNITY TO AFFILIATES	SC	501(C)(3)	11C	ALLIED SERVICES FOUNDATION		No

Allied Services Foundation and Controlled Entities

Consolidated Financial Statements and Supplementary Information

June 30, 2014 and 2013

Candor. Insight. Results.

Allied Services Foundation and Controlled Entities

Table of Contents
June 30, 2014 and 2013

BAKER TILLY

formerly
PARENTEBEARD

Baker Tilly Virchow Krause, LLP
46 Public Sq. Ste 400
Wilkes-Barre, PA 18701-2609
tel 570 820 0100
tel 800 267 9405
fax 888 264 9617
bakertilly.com

Independent Auditors' Report

Board of Directors
Allied Services Foundation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Allied Services Foundation and controlled entities, which comprise the consolidated balance sheet as of June 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Allied Services Foundation and controlled entities as of June 30, 2014 and 2013, and the results of their operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The supplementary consolidating and combining information presented on pages 28 to 39 is presented for purposes of additional analysis rather than to present the financial position, results of operations, and changes in net assets, of the individual companies, and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Baker Tilly Virchow Krause, LLP

Wilkes-Barre, Pennsylvania
November 17, 2014

Allied Services Foundation and Controlled Entities

Consolidated Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 1,482,646	$ 3,914,749
Restricted cash, resident funds	307,091	244,120
Assets whose use is limited	67,343	49,629
Accounts receivable (net of estimated allowance for doubtful collections of $2,478,000 in 2014 and $2,075,000 in 2013)	19,252,848	17,327,669
Estimated third-party payor settlements	2,465,793	3,397,691
Inventories	880,455	1,132,646
Prepaid expenses and other current assets	2,500,374	2,289,102
Total current assets	26,956,550	28,355,606
Assets Whose Use is Limited	9,762,990	9,224,884
Investments	62,556,619	54,932,910
Property and Equipment, Net	42,387,087	39,604,746
Other Assets	50,000	50,000
Deferred Financing Costs, Net	187,848	228,872
Total assets	$ 141,901,094	$ 132,397,018

	2014	2013
Liabilities and Net Assets		
Current Liabilities		
Demand note payable	$ 873,667	$ -
Current maturities of long-term debt	2,979,910	3,425,174
Accounts payable and accrued expenses	3,957,116	3,285,744
Estimated third-party payor settlements	3,398,904	3,615,576
Accrued workers' compensation	1,415,000	1,438,000
Accrued payroll and related liabilities	7,508,798	6,947,849
Resident funds	307,091	244,120
Total current liabilities	20,440,486	18,956,463
Long-Term Debt	13,127,004	14,457,845
Pension Liability	10,118,440	10,004,056
Malpractice and General Liability	2,101,462	2,444,296
Workers' Compensation	4,897,309	4,250,300
Total liabilities	50,684,701	50,112,960
Net Assets		
Unrestricted	88,066,100	79,041,067
Temporarily restricted	1,089,948	1,122,534
Permanently restricted	2,060,345	2,120,457
Total net assets	91,216,393	82,284,058
Total liabilities and net assets	$ 141,901,094	$ 132,397,018

See notes to consolidated financial statements

Allied Services Foundation and Controlled Entities

Consolidated Statement of Operations
Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted Revenues		
Net patient service revenues	$ 123,398,992	$ 124,695,311
Pennsylvania hospital and nursing home assessments	4,031,801	3,532,462
Other revenues	29,216,338	30,552,024
Net assets released from restrictions	124,501	633,435
Total unrestricted revenues	156,771,632	159,413,232
Expenses		
Salaries, wages, and contract labor	90,369,404	91,105,766
Supplies and expenses	34,441,988	34,275,205
Employee benefits	20,046,126	20,580,138
Depreciation and amortization	5,680,409	5,165,574
Interest expense	578,154	679,086
Pennsylvania hospital and nursing home assessments	2,709,066	2,237,308
Provision for doubtful collections	1,517,987	878,848
Total expenses	155,343,134	154,921,925
Operating income	1,428,498	4,491,307
Investment Income	7,455,441	3,798,969
Revenues in excess of expenses	8,883,939	8,290,276
Pension Liability Adjustment	(10,116)	6,149,029
Net Assets Released from Restrictions for Purchase of Property and Equipment	151,210	380,201
Increase in unrestricted net assets	$ 9,025,033	$ 14,819,506

See notes to consolidated financial statements

Allied Services Foundation and Controlled Entities

Consolidated Statement of Changes in Net Assets
Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted Net Assets		
Revenues in excess of expenses	$ 8,883,939	$ 8,290,276
Pension liability adjustment	(10,116)	6,149,029
Net assets released from restrictions for purchase of property and equipment	151,210	380,201
Increase in unrestricted net assets	9,025,033	14,819,506
Temporarily Restricted Net Assets		
Contributions	170,890	711,170
Investment income	3,083	5,523
Other	69,152	-
Net assets released from restrictions for		
Operations	(124,501)	(633,435)
Purchase of property and equipment	(151,210)	(380,201)
Decrease in temporarily restricted net assets	(32,586)	(296,943)
Permanently Restricted Net Assets		
Other	(69,152)	-
Contributions and investment income	9,040	44,898
(Decrease) increase in permanently restricted net assets	(60,112)	44,898
Increase in net assets	8,932,335	14,567,461
Net Assets, Beginning	82,284,058	67,716,597
Net Assets, Ending	$ 91,216,393	$ 82,284,058

See notes to consolidated financial statements

Allied Services Foundation and Controlled Entities

Consolidated Statement of Cash Flows
Years Ended June 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Increase in net assets	$ 8,932,335	$ 14,567,461
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	5,159,833	5,165,574
Provision for doubtful collections	1,517,987	878,848
Net realized gain on sales of investments	(2,092,639)	(1,052,033)
Restricted contributions and investment income	(9,040)	(373,776)
Net unrealized gain on investments	(4,431,343)	(1,670,486)
Pension liability adjustment	10,116	(6,149,029)
Changes in assets and liabilities		
Accounts receivable	(3,443,166)	(837,692)
Estimated third-party payor settlements	715,226	(344,666)
Inventories	252,191	45,974
Prepaid expenses and other current assets	(211,272)	170,901
Accounts payable and accrued expenses	1,232,321	301,073
Malpractice and general liability	(342,834)	(203,173)
Pension liability	104,268	113,316
Workers' compensation	624,009	467,851
Net cash provided by operating activities	8,017,992	11,080,143
Cash Flows from Investing Activities		
Net purchases of investments	(1,655,547)	(1,766,876)
Purchase of property and equipment	(7,901,150)	(6,487,685)
Net cash used in investing activities	(9,556,697)	(8,254,561)
Cash Flows from Financing Activities		
Repayment of long-term debt	(1,776,105)	(3,920,279)
Proceeds from demand note payable	873,667	-
Proceeds from restricted contributions and investment income	9,040	373,776
Payment of financing costs	-	(2,378)
Net cash used in financing activities	(893,398)	(3,548,881)
Net decrease in cash and cash equivalents	(2,432,103)	(723,299)
Cash and Cash Equivalents, Beginning	3,914,749	4,638,048
Cash and Cash Equivalents, Ending	$ 1,482,646	$ 3,914,749
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 578,199	$ 679,127

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Basis of Presentation

Allied Services Foundation (the "Foundation") is a not-for-profit corporation located in Scranton, Pennsylvania

The consolidated financial statements include the accounts of Allied Services Foundation and controlled entities (collectively, "Allied") Control by the Foundation is established by its ability to appoint Board members as sole corporate member The following is a brief description of each of the controlled entities.

- Allied Services Institute of Rehabilitation Medicine ("ASIRM") - operates a rehabilitation hospital licensed for 103-beds ASIRM also operates 32 licensed beds at local hospitals and outpatient physical therapy clinics

- The John Heinz Institute of Rehabilitation Medicine ("Heinz") - operates a rehabilitation hospital licensed for 67-beds Heinz also operates a 25-bed skilled nursing transitional unit and outpatient physical therapy clinics

- Allied Services Skilled Nursing Center ("SNC") - operates a skilled nursing care facility licensed for 371-beds

- Allied Health Care Services ("AHCS") - provides home nursing and attendant services, provides mental health services, provides general packaging, mechanical assembly, mailing, custodial, and other services through its vocational services division, provides pharmacy services to patients at Allied's various inpatient and outpatient settings, and leases office space to third parties.

- Allied Services Personal Care, Inc ("Allied Terrace") - operates a personal care facility licensed for 84-beds.

- Allied Services Risk Retention Group ("RRG") - a self-insurance company created on July 1, 2004 to provide primary medical and professional liability coverage, as well as general liability insurance and risk management services for Allied

- Allied Services Retirement Community ("ASRC") - ASRC was formed in 2006 for purposes of providing independent living services ASRC converted four existing personal care units operated by Allied Terrace into four independent living units and is leasing these units from Allied Terrace

All significant intercompany balances and transactions have been eliminated in consolidation

Allied's primary service area includes northeastern Pennsylvania.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments purchased with an original maturity of three months or less, excluding assets whose use is limited, investments, and restricted cash, resident funds

Accounts Receivable

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

Resident Funds

Resident funds are accounted for as trust funds and are separately maintained from other funds

Assets Whose Use is Limited

Assets whose use is limited include assets designated by the board of directors for future capital improvements, over which the board retains control and may, at its discretion, subsequently use for other purposes, assets restricted under financing agreements, deferred compensation, and assets required in connection with Allied's self-insurance programs Amounts available to meet current liabilities have been classified as current assets in the consolidated balance sheet

Investments and Investment Risk

Investments include assets available for the general use and purposes of Allied, assets whose use by Allied has been limited by donors to specific purposes, and assets to be held by Allied in perpetuity

Investments in equity securities with readily determinable fair values and all investments in debt securities and certificates of deposit are measured at fair value in the consolidated balance sheet The fair value of substantially all securities is determined by quoted market prices Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Interest income is measured as earned on the accrual basis Dividends are measured based on the ex-dividend date Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis

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

Inventories

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

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets Depreciation was $5,639,385 and in 2014 and $5,118,809 in 2013

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

Deferred Financing Costs

Deferred financing costs of $564,740 at June 30, 2014 and 2013 consist of costs related to long-term debt financings which are amortized over the term of the applicable debt, generally using an effective interest method Amortization was $41,024 in 2014 and $46,765 in 2013 Accumulated amortization was $376,892 and $335,868 at June 30, 2014 and 2013, respectively

Estimated Medical Malpractice and General Liability Costs

The provision for estimated medical malpractice and general liability claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by Allied has been limited by donors to support various programs of Allied Permanently restricted net assets have been restricted by donors to be maintained by Allied in perpetuity

Net Patient Service Revenues

Allied has agreements with third-party payors that provide for payments to Allied at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined It is reasonably possible that the estimates used could change in the near term

Other Revenues

Other revenues primarily include revenues related to the provision of home attendant, mental health, pharmacy, general packaging, mechanical assembly, mailing, custodial, and other services Other revenues also include rental revenues for office space

AHCS has agreements with the Lackawanna-Susquehanna Counties, Schuylkill County, and Bradford County Mental Health and Mental Retardation Programs to provide community residential rehabilitation and supported living services to mentally handicapped individuals and to instruct rehabilitated patients in work skills Such revenues are reported at contracted amounts in the period services are rendered The recorded amounts are subject to audit by various governmental agencies

AHCS also has an agreement with the Pennsylvania Department of Public Welfare ("DPW") to provide Personal Assistant Services ("PAS") to the elderly and physically disabled in certain Pennsylvania counties The PAS are provided through two different DPW programs, or "Models", the PAS Consumer Model and the PAS Agency Model The majority of AHCS' PAS have historically been provided through the PAS Consumer Model Services provided through the PAS Consumer Model and PAS Agency Model have been paid on a fee-for-service basis and reported in the period services are rendered The recorded amounts are subject to audit by DPW

AHCS was notified by DPW that, effective January 1, 2011, agencies providing PAS through the Consumer Model were required to enroll as a separate entity (Fiscal/Employer Agent) with a separate bank account for payroll services for consumer employers to clearly delineate between the PAS Consumer Model funds and PAS Agency Model funds As a result of this change, allowable costs for the PAS Consumer Model only include payroll and related expenses In effect, DPW changed the reimbursement system effective January 1, 2011 for PAS through the Consumer Model from a prospective (fee-for-service) system to a cost-based system This decrease in allowable costs also resulted in a decrease in the revenues recognized by AHCS for services provided under the PAS Consumer Model effective January 1, 2011 This change continues to be contested by a coalition of agencies participating in the Consumer Model, including AHCS

Through October 31, 2012, DPW continued to reimburse AHCS for services provided through the PAS Consumer Model using its pre-January 1, 2011 reimbursement (fee-for-service) methodology As a result, AHCS estimated an amount due to DPW of $2,194,000 at June 30, 2014 and 2013 This amount is included in estimated third-party payor settlements (liability) in the consolidated balance sheet It is reasonably possible that this estimate could change in the near term

Effective November 1, 2012, AHCS is no longer providing services through the PAS Consumer Model AHCS does, however, continue to provide PAS through the PAS Agency Model

AHCS leases office space and accounts for such leases as operating leases. Lease revenues are recognized as billed over the term of the leases

AHCS has an agreement with the Social Security Administration ("SSA") to provide custodial, snow removal, and landscaping services at SSA's Wilkes-Barre Operations Center This contract provides for estimated annual payments approximating $2,200,000 through June 30, 2018 AHCS has an agreement with the Tobyhanna Army Depot ("TAD") to provide custodial and snow removal services at their Tobyhanna Operations Center This contract provides for estimated annual payments approximating $3,250,000 through September 30, 2015 The obligations of SSA and TAD to perform under the terms of these contracts are contingent upon the availability of funds from which payment for contract purposes can be made

Donor-Restricted Gifts

Allied reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations as net assets released from restrictions

Advertising Costs

Advertising costs are expensed as incurred and were approximately $713,000 in 2014 and $902,000 in 2013

Income Taxes

The Foundation and its controlled entities are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on their exempt income under Section 501(a) of the Internal Revenue Code

Allied accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority Measurement of the tax uncertainty occurs if the recognition threshold has been met Management determined that there were no tax uncertainties that met the recognition threshold in 2014 and 2013

Allied's federal Returns of Organization Exempt from Income Tax for years prior to 2011 are no longer subject to examination by the Internal Revenue Service

Revenues in Excess of Expenses

The consolidated statement of operations includes the determination of revenues in excess of expenses Changes in unrestricted net assets which are excluded from revenues in excess of expenses, consistent with industry practice, include pension liability adjustment and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets)

Use of Estimates

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

Subsequent Events

Allied evaluated subsequent events for recognition or disclosure through November 17, 2014, the date the consolidated financial statements were available to be issued

New Accounting Standard - Revenue Recognition

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ASU No 2014-09 supercedes the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance Under the requirements of ASU No 2014-09, the core principle is that entities should recognize revenue to depict the transfer of promised goods or services to customers (residents) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services The Foundation will be required to retrospectively adopt the guidance in ASU No 2014-09 for years beginning after December 15, 2017, early application is not permitted The Foundation has not yet determined the impact of adoption of ASU No 2014-09 on its financial statements

2. Net Patient Service Revenues

ASIRM, Heinz, and SNC have agreements with third-party payors that provide for payments at amounts different from their established rates A significant portion of the Allied's net patient service revenues is derived from these third-party payor programs A summary of the principal payment arrangements with major third-party payors follows

- **Medicare** - Inpatient rehabilitation services are paid at prospectively determined rates per discharge Outpatient rehabilitation services are paid based on a published fee schedule Skilled nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day Therapy services rendered to Medicare Part B beneficiaries are paid at the lesser of a published fee schedule or actual charges These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors and the reimbursement methodology is subject to various limitations and adjustments Approximately 44% and 47% of Allied's net patient service revenues in 2014 and 2013, respectively, were derived from Medicare program beneficiaries served by ASIRM, Heinz, and SNC

- **Medical Assistance** - Inpatient rehabilitation services and skilled nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day Outpatient services are paid based on a published fee schedule These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors and the reimbursement methodology is subject to various limitations and adjustments Approximately 19% and 20% of Allied's net patient service revenues in 2014 and 2013, respectively, were derived from Medical Assistance program beneficiaries served by ASIRM, Heinz, and SNC

- **Blue Cross** - Inpatient rehabilitation services rendered to Blue Cross subscribers are paid at prospectively determined rates per day Outpatient services are paid based on a prospectively determined percentage of charges subject to a limitation Approximately 7% and 6% of Allied's net patient service revenues in 2014 and 2013, respectively, were derived from Blue Cross program beneficiaries served by ASIRM, Heinz, and SNC

As described above, the Medicare and Medical Assistance rates are based on clinical, diagnostic, and other factors The determination of these rates is partially based on Allied's clinical assessment of its patients The documented assessments are subject to review and adjustment by the Medicare and Medical Assistance programs

Certain members of Allied also have entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The basis for payment to Allied under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Pennsylvania Hospital and Nursing Home Assessments

Effective July 1, 2010, ASIRM and Heinz are subject to a Quality Care Assessment imposed by DPW under Pennsylvania Act 49 of 2010 (the "Act") The Act requires ASIRM and Heinz to pay an assessment on its net inpatient revenue from their 2008 federal fiscal year cost reports In turn, ASIRM and Heinz receive additional reimbursement from DPW and the Hospital and Healthsystem Association of Pennsylvania Assessments paid by ASIRM and Heinz were $1,846,997 in 2014 and $1,408,342 in 2013 and the additional reimbursement received by ASIRM and Heinz was $1,846,997 in 2014 and $1,408,342 in 2013

DPW also requires SNC to pay an assessment on its nursing facility days, excluding Medicare Part A days In turn, DPW provides additional reimbursement to SNC This program is a result of Pennsylvania's effort to increase the federal share of Medical Assistance funding Assessments paid were $862,069 in 2014 and $828,966 in 2013 and the additional reimbursement received was $2,184,804 in 2014 and $2,124,120 in 2013

Prior Year Third-Party Payor Settlements

Allied's net patient service revenues were increased by approximately $1,084,000 in 2014 and $791,000 in 2013 as a result of prior year third party payor settlements related to ASI, Heinz and SNC

3. Assets Whose Use is Limited and Investments

The composition of assets whose use is limited and investments is set forth in the following table

	2014	2013
Cash and cash equivalents	$ 3,810,820	$ 5,488,812
Certificates of deposit	2,359,056	1,088,236
Mutual funds, fixed income		
Ultra-short bond	-	1,360,620
Short-term bond	1,807,123	5,308,181
Intermediate-term bond	2,482,014	10,569,691
Mutual funds, equity	3,701,702	1,263,847
Exchange traded funds, equity		
Large blend	719,842	633,277
Foreign large blend	185,283	155,283
Equity securities	29,428,347	23,095,654
Corporate bonds	17,299,991	8,776,367
Municipal bond	174,517	92,468
U S government securities		
Treasury notes	8,309,066	3,541,423
Agency obligations	2,109,191	2,833,564
Total	$ 72,386,952	$ 64,207,423

Assets whose use is limited and investments are classified on the consolidated balance sheet as follows

	2014	2013
Assets whose use is limited, current	$ 67,343	$ 49,629
Assets whose use is limited, non current	9,762,990	9,224,884
Investments	62,556,619	54,932,910
Total	$ 72,386,952	$ 64,207,423

Investment Return

Unrestricted investment income is comprised of the following

	2014	2013
Interest and dividend income	$ 931,459	$ 1,076,450
Net realized gain on sales of investments	2,092,639	1,052,033
Net unrealized gain on investments	4,431,343	1,670,486
Total	$ 7,455,441	$ 3,798,969

4. Fair Value Measurements and Financial Instruments

Fair Value Measurements

Allied measures its assets whose use is limited and investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America

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

The levels of the fair value hierarchy are as follows.

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

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

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

The fair value of assets whose use is limited and investments were measured using the following inputs at June 30, 2014 and 2013

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)
June 30, 2014			
Cash and cash equivalents	$ 3,810,820	$ 3,810,820	$ -
Certificates of deposit	2,359,056	-	2,359,056
Mutual funds, fixed income.			
Short-term bond	1,807,123	1,807,123	-
Intermediate-term bond	2,482,014	2,482,014	-
Mutual funds, equity			
Foreign large blend	3,323,016	3,323,016	-
Large blend	346,020	346,020	-
Mid-cap growth	32,666	32,666	-
Exchange traded funds, equity			
Large blend	719,842	719,842	-
Foreign large blend	185,283	185,283	-
Equity securities			
Consumer discretionary	4,777,967	4,777,967	-
Consumer staples	3,409,011	3,409,011	-
Energy	3,717,900	3,717,900	-
Financial	3,426,695	3,426,695	-
Health care	4,844,549	4,844,549	-
Industrials	2,199,132	2,199,132	-
Information technology	5,792,503	5,792,503	-
Materials	709,661	709,661	-
Telecommunication	410,007	410,007	-
Utilities	60,982	60,982	-
Other	79,940	79,940	-
Corporate bonds			
(investment grade)	17,299,991	17,299,991	-
Municipal bond	174,517	174,517	-
U S government securities.			
Treasury notes	8,309,066	8,309,066	-
Agency obligations	2,109,191	2,109,191	-
Total	$ 72,386,952	$ 70,027,896	$ 2,359,056

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)
June 30, 2013			
Cash and cash equivalents	$ 5,488,812	$ 5,488,812	$ -
Certificates of deposit	1,088,236	-	1,088,236
Mutual funds, fixed income			
Ultra-short bond	1,360,620	1,360,620	-
Short-term bond	5,308,181	5,308,181	-
Intermediate-term bond	10,569,691	10,569,691	-
Mutual funds, equity,			
Foreign large blend	1,263,847	1,263,847	-
Exchange traded funds, equity			
Large blend	633,277	633,277	-
Foreign large blend	155,283	155,283	-
Equity securities			
Consumer discretionary	3,049,080	3,049,080	-
Consumer staples	3,001,265	3,001,265	-
Energy	2,994,649	2,994,649	-
Financial	2,624,140	2,624,140	-
Health care	3,518,740	3,518,740	-
Industrials	2,176,158	2,176,158	-
Information technology	4,712,188	4,712,188	-
Materials	559,720	559,720	-
Telecommunication	262,985	262,985	-
Utilities	138,189	138,189	-
Other	58,540	58,540	-
Corporate bonds			
(investment grade)	8,776,367	8,776,367	-
Municipal bonds	92,468	92,468	-
U S government securities.			
Treasury notes	3,541,423	3,541,423	-
Agency obligations	2,833,564	2,833,564	-
Total	$ 64,207,423	$ 63,119,187	$ 1,088,236

Allied had no financial instruments measured at fair value using Level 3 inputs at June 30, 2014 and 2013

Financial Instruments

The carrying amounts of cash and cash equivalents, resident funds, accounts receivable, estimated third party settlements, and accounts payable approximate fair value due to the short-term nature of these instruments

Assets whose use is limited and investments are valued at fair value based on quoted market prices in active markets for cash and cash equivalents, mutual funds, exchange traded funds, equity securities, corporate bonds, municipal bonds, and U S government securities or estimated using quoted prices for similar securities for certificates of deposit

The carrying amount of long-term debt, excluding Allied Services Housing loan, approximates fair value at June 30, 2014 and 2013 based on borrowing rates available to Allied for debt with similar terms, maturities, and credit risk

Since terms could not be duplicated in the market for a Pennsylvania Housing Finance Agency loan, it was not practicable to compute the fair value of this mortgage payable maintained by Allied Services Housing whose carrying value was $112,636 and $118,423 at June 30, 2014 and 2013, respectively (Note 7)

5. Property and Equipment, Net

Property and equipment and accumulated depreciation consist of the following

	2014	2013
Land	$ 2,325,241	$ 2,325,241
Land improvements	9,988,402	9,897,471
Buildings and improvements	90,040,567	87,471,022
Furniture and equipment	47,197,552	41,926,566
Construction-in-progress	1,098,512	2,441,661
Total	150,650,274	144,061,961
Less accumulated depreciation	108,263,187	104,457,215
Property and equipment, net	$ 42,387,087	$ 39,604,746

6. Demand Note Payable

Allied maintains a $5,000,000 unsecured line of credit with a local bank Borrowings bear interest at the National Prime Rate (3 25% at June 30, 2014) with a floor of 4 00% The line of credit expires October 31, 2014 Borrowings were $873,667 at June 30, 2014 There were no borrowings at June 30, 2013.

7. Revenue Notes, Mortgages, and Notes Payable

Revenue notes, mortgages, and notes payable are as follows.

	2014	2013
Allied Terrace		
Northeast Pennsylvania Hospital and Educational Authority ("NPHE Authority"), Series of 2007 Revenue Note, through June 2012, monthly payments of $36,393, including interest at 3 49%, are due, final payment scheduled in August 2019 The note is collateralized by a first mortgage on Allied Terrace's property and equipment, a first priority security interest in the gross receipts of Allied Terrace, and the unconditional guaranty of the Foundation	$ 2,052,542	$ 2,410,797
ASIRM		
Wyoming Industrial Development Authority ("WID Authority"), Series of 2007 Revenue Note, through June 2012, monthly payments of $90,982, including interest at 3.49%, are due, final payment scheduled in August 2019 The note is collateralized by a first mortgage on ASIRM's property and equipment, a first priority security interest in the gross receipts of ASIRM, and the unconditional guaranty of the Foundation	5,131,355	6,026,991
WID Authority, Series of 2008 Revenue Note, through June 2012, monthly payments of $77,335, including interest at 3 49%, are due, final payment scheduled in September 2019 The note is collateralized by a first mortgage on ASIRM's property and equipment, a first priority security interest in the gross receipts of ASIRM, and the unconditional guaranty of the Foundation	4,421,862	5,181,089
Heinz		
Note repaid in 2014	-	366,506
Mortgage payable to Luzerne County, through the Business Development Loan Program, due in monthly payments of $4,656, including interest at 1 5%, through June 2022 The loan is secured by an irrevocable letter of credit assigned to Luzerne County in the amount of $750,000 expiring May 1, 2015 and the unconditional guaranty of the Foundation	416,784	465,997

	2014	2013
SNC		
Note repaid in 2014	$ -	$ 544,167
Controlled Entities and Divisions of AHCS		
Allied Services Housing		
9 25% mortgage note requiring monthly principal and interest payments of $1,375 through April 2025, collateralized by substantially all property and equipment of the related project	112,636	118,423
Allied Services Home Office		
Non-interest bearing note payable, through June 2017, monthly payments of $3,699	133,151	-
Non-interest bearing note payable, through August 2019, monthly payments of $24,438	1,515,144	-
Mortgage payable, due in monthly payments of $33,940, including interest at 3 5%, through March 2020, collateralized by certain real estate and the unconditional guaranty of the Foundation	2,097,745	2,424,278
Allied ICF/MR		
Loan payable due in monthly payments of $886 through November 2016, including interest at 7 5%, collateralized by certain real estate	23,373	31,883
Loan payable due in monthly payments of $838 through maturity in December 2014, including interest at 2 85%, outstanding balance due in December 2014, secured by an assigned certificate of deposit with the bank	51,031	59,500
Mental Health Services		
Loan payable due in monthly payments of $1,357 through November 2016, including interest at 7%, collateralized by certain real estate	36,049	49,255

	2014	2013
Vocational Services		
Non-interest bearing loan payable due in quarterly payments of $5,000 through November 2015, collateralized by capital equipment	$ 30,000	$ 50,000
Capital lease obligation payable in monthly installments of $5,913, including interest at 6%, through September 2015, collateralized by leased assets	85,242	154,133
Total	16,106,914	17,883,019
Less current maturities	2,979,910	3,425,174
Long-term debt	$ 13,127,004	$ 14,457,845

Scheduled principal payments on revenue notes, mortgages, and notes payable are as follows

Years ending June 30	
2015	$ 2,979,910
2016	2,956,522
2017	3,005,791
2018	3,044,703
2019	3,141,952
Thereafter	978,036
Total	$ 16,106,914

Certain of the above revenue notes, mortgages, and notes payable are subject to financial covenants Allied was in compliance with these financial covenants as of and for the year ended June 30, 2014

8. Pension Plans

Allied sponsors a noncontributory defined benefit pension plan, Allied froze the activity in this plan effective October 31, 2003

The following table sets forth the funded status of the defined benefit pension plan and the accumulated benefit obligation at June 30.

	2014	2013
Fair value of plan assets	$ 35,303,271	$ 31,009,762
Benefit obligation	45,421,711	41,013,818
Funded status of the plan	$ (10,118,440)	$ (10,004,056)
Accumulated benefit obligation	$ 45,421,711	$ 41,013,818

Net periodic pension cost, contributions, and benefits paid related to the defined benefit pension plan are as follows

	2014	2013
Net periodic pension cost	$ 773,594	$ 1,397,820
Employer contributions	$ 669,326	$ 1,284,504
Benefits paid	$ 1,297,902	$ 1,238,972

The amounts recognized in the consolidated balance sheet as noncurrent pension liability are $10,118,440 and $10,004,056, at June 30, 2014 and 2013, respectively

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

A net loss of $14,597,397 at June 30, 2014 and $14,587,281 at June 30, 2013 represents the unrecognized component of net periodic pension cost included in unrestricted net assets Amortization of the net loss of $1,035,554 is expected to be recognized in net periodic pension cost in 2015

Assumptions

The weighted average assumptions used in computing Allied's benefit obligation for the defined benefit pension plan are as follows

	2014	2013
Discount rate	4 22 %	4 79 %
Rate of compensation increase	N/A	N/A

The weighted average assumptions used in the measurement of net periodic pension cost for the defined benefit pension plan are as follows

	2014	2013
Discount rate	4 79 %	4 19 %
Expected long-term return on plan assets	7 25 %	7 25 %
Rate of compensation increase	N/A	N/A

Plan Assets

The following table sets forth the actual asset allocation and target asset allocation for plan assets

	2014	2013	Target Asset Allocation
Asset category			
Equity securities	68 %	69 %	60 %
Fixed income securities	32	31	40
Total	100 %	100 %	100 %

Plan assets are invested among and within various asset classes in order to achieve sufficient diversification in accordance with Allied's risk tolerance This is achieved through the utilization of asset managers and systemic allocation to investment management styles, providing a broad exposure to different segments of the equity and fixed income markets

Allied's expected long-term rate of return on plan assets assumption was developed based on historical returns for the major asset classes This review also considered both current market conditions and projected future conditions

Fair Value of Plan Assets

The following table sets forth by level, within the fair value hierarchy (Note 4), the plan assets at fair value at June 30, 2014 and 2013

	Quoted Prices in Active Markets (Level 1)
June 30, 2014	
Mutual funds.	
Equity	
Large-cap stock	$ 17,400,770
Mid-cap stock	2,910,346
International stock	3,599,989
Fixed income	
Short-term bond	5,640,603
Intermediate-term bond	5,751,563
Total	$ 35,303,271
June 30, 2013	
Mutual funds	
Equity	
Large-cap stock	$ 16,501,346
Mid-cap stock	2,432,303
International stock	2,393,226
Fixed income.	
Short-term bond	3,481,438
Intermediate-term bond	6,201,449
Total	$ 31,009,762

Mutual funds are valued at the quoted net asset value of shares held by the plan at year end

There were no plan assets measured at fair value using Level 2 or Level 3 inputs at June 30, 2014 and 2013

Cash Flows

Allied expects to make contributions to the defined benefit pension plan of $1,315,694 during 2015

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

Years ending June 30.	
2015	$ 1,724,717
2016	1,753,571
2017	1,839,929
2018	1,954,741
2019	2,025,082
Thereafter	11,225,559
Total	$ 20,523,599

Defined Contribution Pension Plan

Allied sponsors a defined contribution plan that is available to substantially all employees Pension expense was approximately $1,025,000 in 2014 and $885,000 in 2013

9. Medical Malpractice Claims Coverage

Primary Coverage

Primary medical and professional liability coverage for Allied is provided through the RRG General liability coverage for Allied is also provided through the RRG. The RRG is a separate legal entity established for the payment of medical malpractice and general liability claim settlements and expenses Under the terms of the RRG Agreement (the "Agreement"), Allied was required to deposit an initial capital investment of $1,131,690 into the RRG This amount, and investment earnings thereon, is included in noncurrent assets whose use is limited in the consolidated balance sheet The initial funding requirement was determined by an actuary based upon an evaluation of Allied's past claims history

The coverage limits for medical malpractice claims under the RRG are $500,000 per occurrence and $1,500,000 in the aggregate per year In addition, Allied has excess coverage of $5,000,000 per occurrence and in the aggregate per year The medical malpractice coverage is funded on a mature claims-made basis with retroactive coverage

MCARE Fund Coverage

The Pennsylvania Medical Care Availability and Reduction of Error Fund ("MCARE Fund") provides excess coverage per the Pennsylvania law governing the MCARE Fund Pursuant to the per occurrence and aggregate limits set forth in the controlling Pennsylvania statutes, the MCARE Fund provides coverage for losses in excess of the primary coverage that was in effect on the date of the incident The cost of MCARE Fund coverage is recognized as expense in the period incurred Increases in annual surcharges and concerns over the MCARE Fund's ability to manage and pay claims continues to result in proposals to reform or restructure the MCARE Fund MCARE Fund coverage is currently scheduled to be reduced in 2015, unless the State Insurance Commissioner determines that additional primary insurance capacity is not available at that time, and to be eliminated three years after such reduction Allied will be required to purchase additional primary insurance to take the place of the MCARE Fund coverage if it is reduced Depending upon the ultimate resolution of this matter, Allied may incur additional insurance costs

Summary

Allied's undiscounted estimated medical malpractice claims liability and general liability for both asserted and unasserted claims was $2,101,462 and $2,444,296 at June 30, 2014 and 2013, respectively It is reasonably possible that the estimates used could change materially in the near term

Allied believes it has adequate insurance coverages for all asserted claims and it has no knowledge of unasserted claims which would exceed its insurance coverages

10. Concentrations of Credit Risk

Allied grants credit without collateral to its patients, most of whom are local residents insured under third-party payor arrangements primarily with Medicare, Medical Assistance, Blue Cross, and various commercial insurance companies.

Allied maintains cash accounts, which generally exceed federally insured limits. Allied has not experienced any losses from maintaining cash accounts in excess of federally insured limits Management believes it is not subject to any significant credit risk on its cash accounts

11. Commitments

Lease Commitments

Allied leases several buildings for use in its satellite operations and administrative services The amounts included as minimum future rentals include annual increases as outlined in the agreements These amounts may fluctuate based on increases in the consumer price index over the lease terms Also, in addition to minimum rentals, Allied is responsible for utilities and other expenses at several locations

The following is a schedule by year of future minimum lease payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2014.

Years ending June 30.	
2015	$ 1,491,246
2016	470,085
2017	272,444
2018	265,953
2019	219,171
Total	$ 2,718,899

Rent expense for operating leases was approximately $1,814,000 in 2014 and $1,753,000 in 2013

Purchase Commitment

In June 2012, Allied entered into an agreement with a vendor for a system wide information technology upgrade The initial purchase outlined initial costs of approximately $10,000,000 in stages through 2022 Allied also authorized additional project work, requiring additional purchase commitments to the same vendor of approximately $1,500,000, which was not included in the original June 2012 agreement During the year ended June 30, 2014, Allied incurred costs in connection with this upgrade of approximately $1,900,000. Allied expects to incur costs of approximately $825,000 during the year ending June 30, 2015, $1,000,000 per year during the years ending June 30, 2016 through 2019, and $700,000 per year during the years ending June 30, 2020 through June 30, 2022

12. Self-Funded Insurance Plans

Allied maintains self-funded plans for workers' compensation and unemployment compensation insurance costs For workers' compensation, Allied accrues the estimated cost for incurred and unreported claims based upon data provided by the third-party administrator for the program and its historical claims experience Allied's estimated liability for reported and unreported incurred claims was $6,312,309 and $5,688,300 at June 30, 2014 and 2013, respectively The discount rate used in determining this liability was 4 22% and 4 79% at June 30, 2014 and 2013, respectively In addition, Allied maintains a letter of credit as security for future claims payments The amount is determined by the Commonwealth of Pennsylvania Department of Labor and Industry and was $5,800,000 at June 30, 2014 Allied has collateralized the letter of credit with investments having a fair value of approximately $6,200,000 at June 30, 2014 These investments are included in noncurrent assets whose use is limited in the consolidated balance sheet

Allied accrues the estimated cost of incurred unemployment compensation claims based upon open cases and its historical claims experience Unemployment compensation losses are charged to expense in the period incurred

13. Rental Income

AHCS leases space in its Medical Arts Centers and its corporate offices to various doctors, medical laboratories, and other third parties The amounts included as minimum future rental income include annual increases as outlined in the agreements

The following is a schedule by year of future minimum rental income required under the lease agreements that have an initial or remaining noncancelable lease terms in excess of one year as of June 30, 2014.

Years ending June 30.	
2015	$ 1,202,547
2016	973,270
2017	712,684
2018	674,847
2019	589,691
Thereafter	1,840,403
Total	$ 5,993,442

Rental income was approximately $1,386,000 in 2014 and $1,544,000 in 2013.

14. Contingencies

Healthcare Industry

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

Medical Assistance Modernization (Act 40 of 2010)

Effective July 1, 2010, DPW implemented the Act of 2010 (the "Act"), which modernized Pennsylvania's fee-for-service hospital payment system, established enhanced hospital payments through the state's Medical Assistance managed care program, and secured matching Medical Assistance funds through the establishment of the Hospital Quality Care Assessment (Note 2) Effective July 2, 2013, DPW implemented Act 55 of 2013, which reauthorized the assessment through June 30, 2016, after which time the additional reimbursement is not guaranteed to remain

Real Estate Taxes

As a not-for-profit corporation in the Commonwealth of Pennsylvania, the Foundation is an organization which has historically qualified for an exemption from real property taxes, however, a number of cities, municipalities, and school districted in the Commonwealth of Pennsylvania have challenged and continue to challenge such exemption The possible future financial effects of this matter on the Foundation, if any, are not presently determinable

Litigation

The Foundation is involved in certain litigation in various stages arising in the normal course of business After consideration of applicable insurance coverage, management believes the potential loss, if any, from such litigation would not have a material effect on the financial statements

15. Functional Expenses

Allied provides various healthcare services to individuals within its geographic location Expenses related to providing these services are approximately as follows (in thousands)

	2014	2013
Healthcare and other related services	$ 133,244	$ 133,261
General and administrative	21,364	20,871
Fundraising	735	790
Total expenses	$ 155,343	$ 154,922

Allied Services Foundation and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2014

	Allied Services Institute of Rehabilitation Medicine	The John Heinz Institute of Rehabilitation Medicine	Allied Services Foundation	Allied Skilled Nursing Center	Allied Health Care Services (Combined)	Risk Retention Group	Allied Services Retirement Community	Allied Services Personal Care, Inc	Consolidation Eliminations	Consolidation Consolidated
Assets										
Current Assets										
Cash and cash equivalents	$ 6,627,731	$ 3,114,155	$ 933,342	$ 750	$ 7,944,663	$ -	$ 32,053	$ 206,282	$ (17,376,330)	$ 1,482,646
Restricted cash, resident funds	-	-	-	140,606	166,485	-	-	-	-	307,091
Assets whose use is limited	-	-	-	-	-	67,343	-	-	-	67,343
Accounts receivable (net of estimated allowance for doubtful collections of $2,478,000)	2,635,095	3,549,258	-	7,009,221	5,830,375	-	1,500	227,399	-	19,252,848
Intercompany receivables, net	1,635,937	1,457,367	50,906	547,776	4,505,657	-	-	66,154	(8,263,797)	-
Estimated third-party payor settlements	1,389,373	685,862	-	-	390,558	-	-	-	-	2,465,793
Inventories	196,258	57,756	-	20,302	595,564	-	-	10,575	-	880,455
Prepaid expenses and other current assets	336,162	91,526	-	47,702	1,958,510	27,000	-	39,474	-	2,500,374
Total current assets	12,820,556	8,955,924	984,248	7,766,357	21,391,812	94,343	33,553	549,884	(25,640,127)	26,956,550
Assets Whose Use Is Limited	-	-	6,209,905	-	1,284,326	2,262,809	5,950	-	-	9,762,990
Investments	22,881,091	9,456,280	20,841,644	2,891,162	2,484,015	4,002,427	-	-	-	62,556,619
Property and Equipment, Net	6,811,387	6,722,345	508,396	5,338,345	19,430,497	-	-	3,576,117	-	42,387,087
Other Assets	-	-	50,000	-	-	-	-	-	-	50,000
Deferred Financing Costs, Net	159,058	-	-	-	10,038	-	-	18,752	-	187,848
Total assets	$ 42,672,092	$ 25,134,549	$ 28,594,193	$ 15,995,864	$ 44,600,688	$ 6,359,579	$ 39,503	$ 4,144,753	$ (25,640,127)	$ 141,901,094

Allied Services Foundation and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2014

	Allied Services Institute of Rehabilitation Medicine	The John Heinz Institute of Rehabilitation Medicine	Allied Services Foundation	Allied Skilled Nursing Center	Allied Health Care Services (Consolidated)	Risk Retention Group	Allied Services Retirement Community	Allied Services Personal Care, Inc	Consolidation Eliminations	Consolidation Consolidated
Liabilities and Net Assets (Deficit)										
Current Liabilities										
Demand note payable	$ -	$ -	$ -	$ -	$ 873,667	$ -	$ -	$ -	$ -	$ 873,667
Current maturities of long-term debt	1,714,395	49,958	-	-	844,587	-	-	370,970	-	2,979,910
Accounts payable and accrued expenses	520,040	354,407	45,129	399,141	2,441,688	67,343	29,345	100,023		3,957,116
Estimated third-party payor settlements	393,217	377,800	-	293,512	2,320,185	-	-	14,190	-	3,398,904
Amounts due to affiliates for working capital	-	-	-	3,006,058	14,048,488	-	-	321,784	(17,376,330)	-
Intercompany payables, net	1,027,710	1,021,400	4,637,463	938,018	452,228	53,000	3,862	130,116	(8,263,797)	-
Accrued workers' compensation	-	-	-	-	1,415,000	-	-	-	-	1,415,000
Accrued payroll and related liabilities	1,455,184	1,698,074	35,776	1,067,700	3,141,823	-	-	110,241	-	7,508,798
Resident funds	-	-	-	140,606	166,485	-	-	-	-	307,091
Total current liabilities	5,110,546	3,501,639	4,718,368	5,845,035	25,704,151	120,343	33,207	1,047,324	(25,640,127)	20,440,486
Long-Term Debt	7,838,822	366,826	-	-	3,239,784	-	-	1,681,572	-	13,127,004
Pension Liability	-	-	10,118,440	-	-	-	-	-	-	10,118,440
Malpractice and General Liability	-	-	-	-	-	2,101,462	-	-	-	2,101,462
Workers' Compensation	-	-	-	-	4,897,309	-	-	-	-	4,897,309
Total liabilities	12,949,368	3,868,465	14,836,808	5,845,035	33,841,244	2,221,805	33,207	2,728,896	(25,640,127)	50,684,701
Net Assets (Deficit)										
Unrestricted	29,722,724	21,266,084	10,607,092	10,150,829	10,759,444	4,137,774	6,296	1,415,857	-	88,066,100
Temporarily restricted	-	-	1,089,948	-	-	-	-	-	-	1,089,948
Permanently restricted	-	-	2,060,345	-	-	-	-	-	-	2,060,345
Total net assets (deficit)	29,722,724	21,266,084	13,757,385	10,150,829	10,759,444	4,137,774	6,296	1,415,857	-	91,216,393
Total liabilities and net assets (deficit)	$ 42,672,092	$ 25,134,549	$ 28,594,193	$ 15,995,864	$ 44,600,688	$ 6,359,579	$ 39,503	$ 4,144,753	$ (25,640,127)	$ 141,901,094

Allied Services Foundation and Controlled Entities

Consolidating Schedule, Statement of Operations
Year Ended June 30, 2014

	Allied Services Institute of Rehabilitation Medicine	The John Heinz Institute of Rehabilitation Medicine	Allied Services Foundation	Allied Skilled Nursing Center	Allied Health Care Services (Combined)	Risk Retention Group	Allied Services Retirement Community	Allied Services Personal Care, Inc	Consolidation Eliminations	Consolidated
Unrestricted Revenues										
Net patient service revenues	$ 34,864,826	$ 34,603,616	$ -	$ 33,349,810	$ 17,389,763	$ -	$ 40,427	$ 3,150,550	$ -	$ 123,398,992
Pennsylvania hospital and nursing home assessments	910,652	936,345	-	2,184,804	-	-	-	-	-	4,031,801
Other revenues	1,555,328	462,872	443,284	90,006	45,339,327	1,015,000	-	34,573	(19 724 052)	29,216,338
Net assets released from restrictions	-	-	124,501	-	-	-	-	-	-	124,501
Total unrestricted revenues	37,330,806	36,002,833	567,785	35,624,620	62,729,090	1,015,000	40,427	3,185,123	(19,724,052)	156,771,632
Expenses										
Salaries, wages, and contract labor	17,614,854	19,441,395	321,554	17,272,506	34,475,868	-	12,413	1,230,814	-	90,369,404
Supplies and expenses	11,653,165	11,494,078	361,837	11,789,265	17,277,320	386,834	37,254	1,166,287	(19 724 052)	34,441,988
Employee benefits	3,761,957	4,054,989	85,505	4,647,119	7,169,471	-	2,557	324,528	-	20,046,126
Depreciation and amortization	1,096,729	776,830	90,554	724,767	2,791,397	-	-	200,132	-	5,680,409
Interest expense	364,940	9,956	-	2,904	120,394	-	-	79,960	-	578,154
Pennsylvania hospital and nursing home assessments	910,652	936,345	-	862,069	-	-	-	-	-	2,709,066
Provision for doubtful collections	333,662	433,856	-	780,676	(30,207)	-	-	-	-	1,517,987
Total expenses	35,735,959	37,147,449	859,450	36,079,306	61,804,243	386,834	52,224	3,001,721	(19,724,052)	155,343,134
Operating income (loss)	1,594,847	(1,144,616)	(291,665)	(454,686)	924,847	628,166	(11,797)	183,402	-	1,428,498
Investment Income (Loss)	2,891,164	1,169,470	2,491,625	328,450	271,403	303,661	(3)	(329)	-	7,455,441
Revenues in excess of (less than) expenses	4,486,011	24,854	2,199,960	(126,236)	1,196,250	931,827	(11,800)	183,073	-	8,883,939
Pension Liability Adjustment	-	-	(10,116)	-	-	-	-	-	-	(10,116)
Net Assets Released from Restrictions for Purchase of Property and Equipment	-	-	151,210	-	-	-	-	-	-	151,210
Transfers (to) from Affiliates	-	-	(151,210)	-	82,058	-	-	69,152	-	-
Change in unrestricted net assets (deficit)	$ 4,486,011	$ 24,854	$ 2,189,844	$ (126,236)	$ 1,278,308	$ 931,827	$ (11,800)	$ 252,225	$ -	$ 9,025,033

Allied Services Foundation and Controlled Entities

Consolidating Schedule, Statement of Changes in Net Assets (Deficit)
Year Ended June 30, 2014

	Allied Services Institute of Rehabilitation Medicine	The John Heinz Institute of Rehabilitation Medicine	Allied Services Foundation	Allied Skilled Nursing Center	Allied Health Care Services (Combined)	Risk Retention Group	Allied Services Retirement Community	Allied Services Personal Care, Inc	Consolidation Eliminations	Consolidation Consolidated
Unrestricted Net Assets (Deficit)										
Revenues in excess of (less than) expenses	$ 4,486,011	$ 24,854	$ 2,199,960	$ (126,236)	$ 1,196,250	$ 931,827	$ (11,800)	$ 183,073	$ -	$ 8,883,939
Pension liability adjustment	-	-	(10,116)	-	-	-	-	-	-	(10,116)
Net assets released from restrictions for purchase of property and equipment	-	-	151,210	-	-	-	-	-	-	151,210
Transfers (to) from affiliates	-	-	(151,210)	-	82,058	-	-	69,152	-	-
Change in unrestricted net assets (deficit)	4,486,011	24,854	2,189,844	(126,236)	1,278,308	931,827	(11,800)	252,225	-	9,025,033
Temporarily Restricted Net Assets										
Contributions	-	-	170,890	-	-	-	-	-	-	170,890
Investment income	-	-	3,083	-	-	-	-	-	-	3,083
Transfer	-	-	69,152	-	-	-	-	-	-	69,152
Net assets released from restrictions for										
Operations	-	-	(124,501)	-	-	-	-	-	-	(124,501)
Purchase of property and equipment	-	-	(151,210)	-	-	-	-	-	-	(151,210)
Decrease in temporarily restricted net assets	-	-	(32,586)	-	-	-	-	-	-	(32,586)
Increase in Permanently Restricted Net Assets										
Transfer			(69,152)							(69,152)
Contributions and investment income	-	-	9,040	-	-	-	-	-	-	9,040
Decrease in permanently restricted net assets	-	-	(60,112)	-	-	-	-	-	-	(60,112)
Change in net assets (deficit)	4,486,011	24,854	2,097,146	(126,236)	1,278,308	931,827	(11,800)	252,225	-	8,932,335
Net Assets (Deficit), Beginning	25,236,713	21,241,230	11,660,239	10,277,065	9,481,136	3,205,947	18,096	1,163,632	-	82,284,058
Net Assets (Deficit), Ending	$ 29,722,724	$ 21,266,084	$ 13,757,385	$ 10,150,829	$ 10,759,444	$ 4,137,774	$ 6,296	$ 1,415,857	$ -	$ 91,216,393

Allied Services Foundation and Controlled Entities

Combining Schedule - Allied Health Care Services Balance Sheet
June 30 2014

	Vocational Services Division	ICF/MR	Allied Burnley	Home Office	Project Opportunity	Home Health	In Home	Mental Health Services	MAC Wilkes-Barre	Allied Pharmacy	Combination Eliminations	Combination Combined
Assets												
Current Assets												
Cash and cash equivalents	$ 1 459 588	$ 318 201	$ 196 892	$ 1 129 870	$ 10 097	$ 1 366 291	$ 2 285 833	$ 483 501	694 140	$ 250	$ -	$ 7 944 663
Restricted cash resident funds	-	165 061	-	-	1 424	-	-	-	-	-	-	166 485
Accounts receivable (net of estimated allowance for doubtful collections of $441 000)	1 171 616	2 178 374	191 353	36 970	319	524 957	875 264	285 751	242 489	323 282	-	5 830 375
Intercompany receivables net	493 382	246 916	199	3 838 770	-	209 696	107 852	51 448	108 023	367 065	(917 694)	4 505 657
Estimated third-party payor settlements	-	390 558	-	-	-	-	-	-	-	-	-	390 558
Inventories	110 669	6 872	498	23 588	-	-	-	-	-	453 937	-	595 564
Prepaid expenses and other current assets	77 680	2 382	17 600	999 642	2 089	6 519	327 555	28 545	46 498	450 000	-	1 958 510
Total current assets	3 312 935	3 308 364	406 542	6 028 840	13 929	2 107 463	3 596 504	849 245	1 091 150	1 594 534	(917 694)	21 391 812
Assets Whose Use Is Limited	-	-	-	1 253 575	30 751	-	-	-	-	-	-	1 284 326
Investments	2 063 631	-	-	405 791	14 593	-	-	-	-	-	-	2 484 015
Property and Equipment, Net	441 318	836 744	643 077	9 703 547	99 698	7 425	3 208	620 089	6 796 549	278 842	-	19 430 497
Deferred Financing Costs, Net	-	-	-	-	-	-	-	-	10 038	-	-	10 038
Total assets	$ 5 817 884	$ 4 145 108	$ 1 049 619	$ 17 391 753	$ 158 971	$ 2 114 888	$ 3 599 712	$ 1 469 334	$ 7 897 737	$ 1 873 376	$ (917 694)	$ 44 600 688
Liabilities and Net Assets (Deficit)												
Current Liabilities												
Demand note payable	$ -	$ -	$ -	$ 873 667	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 873 667
Current maturities of long-term debt	87 680	60 202	-	337 637	6 345	-	-	14 366	338 357	-	-	844 587
Accounts payable and accrued expenses	209 285	86 120	25 435	1 532 940	22 447	6 599	65 677	118 101	272 415	102 669	-	2 441 688
Estimated third-party payor settlements	-	-	5 832	-	-	-	2 223 344	91 009	-	-	-	2 320 185
Amounts due to affiliates for working capital	-	3 038 923	-	5 315 937	-	-	-	-	4 667 357	1 026 271	-	14 048 488
Intercompany payables net	172 311	277 838	23 056	307 878	108 363	91 498	115 352	104 976	108 688	59 962	(917 694)	452 228
Accrued workers' compensation	-	-	-	1 415 000	-	-	-	-	-	-	-	1 415 000
Accrued payroll and related liabilities	388 149	401 381	54 360	1 660 353	-	254 690	150 808	121 385	-	110 697	-	3 141 823
Resident funds	-	165 061	-	-	1 424	-	-	-	-	-	-	166 485
Total current liabilities	857 425	4 029 525	108 683	11 443 412	138 579	352 787	2 555 181	449 837	5 386 817	1 299 599	(917 694)	25 704 151
Long-Term Debt												
Mortgages and notes payable	27 562	14 202	-	1 310 658	106 291	-	-	21 683	1 759 388	-	-	3 239 784
Workers' Compensation	-	-	-	4 897 309	-	-	-	-	-	-	-	4 897 309
Total liabilities	884 987	4 043 727	108 683	17 651 379	244 870	352 787	2 555 181	471 520	7 146 205	1 299 599	(917 694)	33 841 244
Net Assets (Deficit)												
Unrestricted	4 932 897	101 381	940 936	(259 626)	(85 899)	1 762 101	1 044 531	997 814	751 532	573 777	-	10 759 444
Total liabilities and net assets (deficit)	$ 5 817 884	$ 4 145 108	$ 1 049 619	$ 17 391 753	$ 158 971	$ 2 114 888	$ 3 599 712	$ 1 469 334	$ 7 897 737	$ 1 873 376	$ (917 694)	$ 44 600 688

Allied Services Foundation and Controlled Entities

Combining Schedule - Allied Health Care Services Statement of Operations
Year Ended June 30 2014

	Vocational Services Division	ICF/MR	Allied Burnley	Home Office	Project Opportunity	Home Health	In Home	Mental Health Services	MAC Wilkes-Barre	Allied Pharmacy	Combination Eliminations	Combination Combined
Unrestricted Revenues												
Net patient service revenues	$ -	$ 12 600 648	$ -	$ -	$ -	$ 4 789 115	$ -	$ -	$ -	$ -	$ -	$ 17 389 763
Other revenues	12 429 924	144 395	1 722 264	19 326 233	48 186	-	6 363 170	3 562 824	2 791 756	7 380 595	(8 430 020)	45 339 327
Total unrestricted revenues	12 429 924	12 745 043	1 722 264	19 326 233	48 186	4 789 115	6 363 170	3 562 824	2 791 756	7 380 595	(8 430 020)	62 729 090
Expenses												
Salaries wages and contract labor	6 589 726	5 807 572	1 070 214	9 887 019	3 792	3 490 944	4 355 789	1 681 867	1 423	1 587 522	-	34 475 868
Supplies and expenses	3 761 627	5 389 485	380 022	5 583 675	45 532	982 392	759 435	1 213 931	2 278 831	5 312 410	(8 430 020)	17 277 320
Employee benefits	1 202 669	1 535 671	229 062	2 146 830	290	625 327	733 813	417 131	109	278 569	-	7 169 471
Depreciation and amortization	190 535	122 638	50 644	1 715 205	5 563	5 824	1 509	84 361	491 142	123 976	-	2 791 397
Interest expense	-	8 561	-	17 613	10 668	-	-	3 208	80 344	-	-	120 394
Provision (recovery) for doubtful collections	-	-	-	-	-	-	-	1 485	-	(31 692)	-	(30 207)
Total expenses	11 744 557	12 863 927	1 729 942	19 350 342	65 845	5 104 487	5 850 546	3 401 983	2 851 849	7 270 785	(8 430 020)	61 804 243
Operating income (loss)	685 367	(118 884)	(7 678)	(24 109)	(17 659)	(315 372)	512 624	160 841	(60 093)	109 810	-	924 847
Investment Income (Loss)	253 633	617	407	24 102	57	4 598	(586)	500	(8 600)	(3 325)		271 403
Revenues in excess of (less than) expenses	939 000	(118 267)	(7 271)	(7)	(17 602)	(310 774)	512 038	161 341	(68 693)	106 485	-	1 196 250
Transfers from (to) Affiliates	47 058	-	35 000	-	-	-	-	-	-	-	-	82 058
Change in unrestricted net assets (deficit)	$ 986 058	$ (118 267)	$ 27 729	$ (7)	$ (17 602)	$ (310 774)	$ 512 038	$ 161 341	$ (68 693)	$ 106 485	$ -	$ 1 278 308

Allied Services Foundation and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2013

	Allied Services Institute of Rehabilitation Medicine	The John Heinz Institute of Rehabilitation Medicine	Allied Services Foundation	Allied Skilled Nursing Center	Allied Health Care Services (Combined)	Risk Retention Group	Allied Services Retirement Community	Allied Services Personal Care, Inc	Consolidation Eliminations	Consolidation Consolidated
Assets										
Current Assets										
Cash and cash equivalents	$ 5,274,035	$ 5,288,522	$ 1,478,431	$ 750	$ 8,314,183	$ -	$ 32,539	$ 100,240	$ (16,573,951)	$ 3,914,749
Restricted cash, resident funds	-	-	-	103,611	140,509	-	-	-	-	244,120
Assets whose use is limited	-	-	-	-	-	49,629	-	-	-	49,629
Accounts receivable (net of estimated allowance for doubtful collections of $2,075,000)	2,259,067	2,686,493	-	6,066,555	6,245,424	-	-	70,130	-	17,327,669
Intercompany receivables, net	1,709,343	1,345,360	6,704	558,928	3,081,678	-	-	68,833	(6,770,846)	-
Estimated third-party payor settlements	1,950,829	1,114,262	-	-	332,600	-	-	-	-	3,397,691
Inventories	176,333	49,470	-	20,083	875,731	-	-	11,029	-	1,132,646
Prepaid expenses and other current assets	443,592	75,424	-	28,829	1,708,233	26,000	-	7,024	-	2,289,102
Total current assets	11,813,199	10,559,531	1,485,135	6,778,756	20,698,358	75,629	32,539	257,256	(23,344,797)	28,355,606
Assets Whose Use Is Limited	-	-	6,039,316	-	1,174,993	2,004,675	5,900	-	-	9,224,884
Investments	20,012,419	8,300,258	18,507,444	2,562,712	1,827,509	3,722,568	-	-	-	54,932,910
Property and Equipment, Net	7,085,261	6,117,213	598,280	5,505,606	16,618,237	-	-	3,680,149	-	39,604,746
Other Assets	-	-	50,000	-	-	-	-	-	-	50,000
Deferred Financing Costs, Net	187,977	3,409	670	2,989	11,666	-	-	22,161	-	228,872
Total assets	$ 39,098,856	$ 24,980,411	$ 26,680,845	$ 14,850,063	$ 40,330,763	$ 5,802,872	$ 38,439	$ 3,959,566	$ (23,344,797)	$ 132,397,018

Allied Services Foundation and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2013

	Allied Services Institute of Rehabilitation Medicine	The John Heinz Institute of Rehabilitation Medicine	Allied Services Foundation	Allied Skilled Nursing Center	Allied Health Care Services (Consolidated)	Risk Retention Group	Allied Services Retirement Community	Allied Services Personal Care, Inc	Consolidation Eliminations	Consolidation Consolidated
Liabilities and Net Assets (Deficit)										
Current Liabilities										
Current maturities of long-term debt	$ 1,655,430	$ 415,720	$ -	$ 544,167	$ 451,597	$ -	$ -	$ 358,260	$ -	$ 3,425,174
Accounts payable and accrued expenses	562,044	315,521	5,105	417,291	1,836,450	49,629	16,583	83,121	-	3,285,744
Estimated third-party payor settlements	383,600	507,616	-	486,986	2,237,374	-	-	-	-	3,615,576
Amounts due to affiliates for working capital	-	-	-	1,404,201	15,025,336	-	-	144,414	(16,573,951)	-
Intercompany payables, net	331,927	477,293	4,982,669	640,430	152,174	103,000	3,760	79,593	(6,770,846)	-
Accrued workers' compensation	-	-	-	-	1,438,000	-	-	-	-	1,438,000
Accrued payroll and related liabilities	1,376,492	1,606,248	28,776	976,312	2,882,012	-	-	78,009	-	6,947,849
Resident funds	-	-	-	103,611	140,509	-	-	-	-	244,120
Total current liabilities	4,309,493	3,322,398	5,016,550	4,572,998	24,163,452	152,629	20,343	743,397	(23,344,797)	18,956,463
Long-Term Debt	9,552,650	416,783	-	-	2,435,875	-	-	2,052,537	-	14,457,845
Pension Liability	-	-	10,004,056	-	-	-	-	-	-	10,004,056
Malpractice and General Liability	-	-	-	-	-	2,444,296	-	-	-	2,444,296
Workers' Compensation	-	-	-	-	4,250,300	-	-	-	-	4,250,300
Total liabilities	13,862,143	3,739,181	15,020,606	4,572,998	30,849,627	2,596,925	20,343	2,795,934	(23,344,797)	50,112,960
Net Assets (Deficit)										
Unrestricted	25,236,713	21,241,230	8,417,248	10,277,065	9,481,136	3,205,947	18,096	1,163,632	-	79,041,067
Temporarily restricted	-	-	1,122,534	-	-	-	-	-	-	1,122,534
Permanently restricted	-	-	2,120,457	-	-	-	-	-	-	2,120,457
Total net assets (deficit)	25,236,713	21,241,230	11,660,239	10,277,065	9,481,136	3,205,947	18,096	1,163,632	-	82,284,058
Total liabilities and net assets (deficit)	$ 39,098,856	$ 24,980,411	$ 26,680,845	$ 14,850,063	$ 40,330,763	$ 5,802,872	$ 38,439	$ 3,959,566	$ (23,344,797)	$ 132,397,018

Allied Services Foundation and Controlled Entities

Consolidating Schedule, Statement of Operations
Year Ended June 30, 2013

	Allied Services Institute of Rehabilitation Medicine	The John Heinz Institute of Rehabilitation Medicine	Allied Services Foundation	Allied Skilled Nursing Center	Allied Health Care Services (Combined)	Risk Retention Group	Allied Services Retirement Community	Allied Services Personal Care, Inc	Consolidation Eliminations	Consolidation Consolidated
Unrestricted Revenues										
Net patient service revenues	$ 36,492,189	$ 35,498,585	$ -	$ 33,068,621	$ 17,242,063	$ -	$ 33,259	$ 2,360,594	$ -	$ 124,695,311
Pennsylvania hospital and nursing home assessments	780,302	628,040	-	2,124,120	-	-	-	-	-	3,532,462
Other revenues	1,829,174	602,617	352,091	98,585	45,799,115	1,015,000	-	41,586	(19,186,144)	30,552,024
Net assets released from restrictions	-	-	633,435	-	-	-	-	-	-	633,435
Total unrestricted revenues	39,101,665	36,729,242	985,526	35,291,326	63,041,178	1,015,000	33,259	2,402,180	(19,186,144)	159,413,232
Expenses										
Salaries, wages, and contract labor	17,355,377	19,126,952	327,571	17,095,179	36,350,219	-	12,359	838,109	-	91,105,766
Supplies and expenses	11,955,542	11,553,240	897,331	11,427,226	15,873,979	683,980	36,791	1,033,260	(19,186,144)	34,275,205
Employee benefits	3,901,342	4,019,868	98,441	4,706,913	7,627,002	-	2,337	224,235	-	20,580,138
Depreciation and amortization	1,065,677	718,927	98,895	650,056	2,440,893	-	-	191,126	-	5,165,574
Interest expense	429,857	32,293	1,348	22,924	100,748	-	-	91,916	-	679,086
Pennsylvania hospital and nursing home assessments	780,302	628,040	-	828,966	-	-	-	-	-	2,237,308
Provision for (recovery of) doubtful collections	158,180	220,878	-	470,000	29,790	-	-	-	-	878,848
Total expenses	35,646,277	36,300,198	1,423,586	35,201,264	62,422,631	683,980	51,487	2,378,646	(19,186,144)	154,921,925
Operating income (loss)	3,455,388	429,044	(438,060)	90,062	618,547	331,020	(18,228)	23,534	-	4,491,307
Investment Income (Loss)	1,488,857	600,136	1,278,511	170,812	78,314	182,348	(9)	-	-	3,798,969
Revenues in excess of (less than) expenses	4,944,245	1,029,180	840,451	260,874	696,861	513,368	(18,237)	23,534	-	8,290,276
Pension Liability Adjustment	-	-	6,149,029	-	-	-	-	-	-	6,149,029
Net Assets Released from Restrictions for Purchase of Property and Equipment	-	-	380,201	-	-	-	-	-	-	380,201
Transfers from (to) Affiliates	(1,997,485)	27,768	1,469,799	-	323,848	-	50,000	126,070	-	-
Change in unrestricted net assets (deficit)	$ 2,946,760	$ 1,056,948	$ 8,839,480	$ 260,874	$ 1,020,709	$ 513,368	$ 31,763	$ 149,604	$ -	$ 14,819,506

Allied Services Foundation and Controlled Entities

Consolidating Schedule, Statement of Changes in Net Assets (Deficit)
Year Ended June 30, 2013

	Allied Services Institute of Rehabilitation Medicine	The John Heinz Institute of Rehabilitation Medicine	Allied Services Foundation	Allied Skilled Nursing Center	Allied Health Care Services (Combined)	Risk Retention Group	Allied Retirement Community	Allied Services Personal Care, Inc	Consolidation Eliminations	Consolidation Consolidated
Unrestricted Net Assets (Deficit)										
Revenues in excess of (less than) expenses	$ 4,944,245	$ 1,029,180	$ 840,451	$ 260,874	$ 696,861	$ 513,368	$ (18,237)	$ 23,534	$ -	$ 8,290,276
Pension liability adjustment	-	-	6,149,029	-	-	-	-	-	-	6,149,029
Net assets released from restrictions for purchase of property and equipment	-	-	380,201	-	-	-	-	-	-	380,201
Transfers from (to) affiliates	(1,997,485)	27,768	1,469,799	-	323,848	-	50,000	126,070	-	-
Change in unrestricted net assets (deficit)	2,946,760	1,056,948	8,839,480	260,874	1,020,709	513,368	31,763	149,604	-	14,819,506
Temporarily Restricted Net Assets										
Contributions	-	-	711,170	-	-	-	-	-	-	711,170
Investment income	-	-	5,523	-	-	-	-	-	-	5,523
Net assets released from restrictions for										
Operations	-	-	(633,435)	-	-	-	-	-	-	(633,435)
Purchase of property and equipment	-	-	(380,201)	-	-	-	-	-	-	(380,201)
Increase in temporarily restricted net assets	-	-	(296,943)	-	-	-	-	-	-	(296,943)
Increase in Permanently Restricted Net Assets										
Contributions and investment income	-	-	44,898	-	-	-	-	-	-	44,898
Change in net assets (deficit)	2,946,760	1,056,948	8,587,435	260,874	1,020,709	513,368	31,763	149,604	-	14,567,461
Net Assets (Deficit), Beginning	22,289,953	20,184,282	3,072,804	10,016,191	8,460,427	2,692,579	(13,667)	1,014,028	-	67,716,597
Net Assets (Deficit), Ending	$ 25,236,713	$ 21,241,230	$ 11,660,239	$ 10,277,065	$ 9,481,136	$ 3,205,947	$ 18,096	$ 1,163,632	$ -	$ 82,284,058

Allied Services Foundation and Controlled Entities

Combining Schedule - Allied Health Care Services Balance Sheet
June 30 2013

	Vocational Services Division	ICF/MR	Allied Burnley	Home Office	Project Opportunity	Home Health	In Home	Mental Health Services	MAC Scranton	MAC Wilkes-Barre	Allied Pharmacy	Combination Eliminations	Combination Combined
Assets													
Current Assets													
Cash and cash equivalents	$ 545 048	$ 269 424	$ 241 640	$ 3 139 723	$ 8 955	$ 1 325 283	$ 2 078 268	$ 650	$ -	$ 704 942	$ 250	$ -	$ 8 314 183
Restricted cash resident funds	-	138 562	-	-	1 947	-	-	-	-	-	-	-	140 509
Accounts receivable (net of estimated allowance for doubtful collections of $535 000)	1 099 974	1 833 691	207 824	66 739	(176)	807 841	1 451 777	611 692	-	2 307	163 755	-	6 245 424
Intercompany receivables net	448 122	263 089	16 893	2 088 330	-	214 359	135 640	52 991	-	65 224	284 478	(487 448)	3 081 678
Estimated third-party payor settlements	-	332 600	-	-	-	-	-	-	-	-	-	-	332 600
Inventories	285 353	6 253	5 983	16 494	-	-	-	-	-	-	561 648	-	875 731
Prepaid expenses and other current assets	84 806	4 087	18 850	742 176	1 984	6 706	330 037	25 211	-	44 376	450 000	-	1 708 233
Total current assets	2 463 303	2 847 706	491 190	6 053 462	12 710	2 354 189	3 995 722	690 544	-	816 849	1 460 131	(487 448)	20 698 358
Assets Whose Use Is Limited	-	-	-	1 132 101	42 892	-	-	-	-	-	-	-	1 174 993
Investments	1 812 478	-	-	-	15 031	-	-	-	-	-	-	-	1 827 509
Property and Equipment Net	532 791	902 310	509 527	6 588 389	83 024	13 249	4 717	402 448	-	7 178 963	402 819	-	16 618 237
Deferred Financing Costs Net	-	-	-	-	-	-	-	-	-	11 666	-	-	11 666
Total assets	$ 4 808 572	$ 3 750 016	$ 1 000 717	$ 13 773 952	$ 153 657	$ 2 367 438	$ 4 000 439	$ 1 092 992	$ -	$ 8 007 478	$ 1 862 950	$ (487 448)	$ 40 330 763
Liabilities and Net Assets (Deficit)													
Current Liabilities													
Current maturities of long-term debt	$ 88 890	$ 16 945	$ -	$ -	$ 5 787	$ -	$ -	$ 13 397	$ -	$ 326 578	$ -	$ -	$ 451 597
Accounts payable and accrued expenses	153 058	72 445	16 275	1 212 133	35 512	1 043	27 641	14 881	-	222 024	81 438	-	1 836 450
Estimated third-party payor settlements	-	-	13 846	-	-	-	2 223 344	184	-	-	-	-	2 237 374
Amounts due to affiliates for working capital	-	2 675 608	-	5 646 279	-	-	1 031 521	20 197	-	4 446 925	1 204 806	-	15 025 336
Intercompany payables net	114 282	180 528	6 025	20 520	66 072	38 960	40 408	68 914	-	94 026	9 887	(487 448)	152 174
Accrued workers compensation	-	-	-	1 438 000	-	-	-	-	-	-	-	-	1 438 000
Accrued payroll and related liabilities	390 260	371 842	51 364	1 466 339	-	254 560	145 032	103 088	-	-	99 527	-	2 882 012
Resident funds	-	138 562	-	-	1 947	-	-	-	-	-	-	-	140 509
Total current liabilities	746 490	3 455 930	87 510	9 783 271	109 318	294 563	3 467 946	220 661	-	5 089 553	1 395 658	(487 448)	24 163 452
Long-Term Debt													
Mortgages and notes payable	115 243	74 438	-	-	112 636	-	-	35 858	-	2 097 700	-	-	2 435 875
Workers' Compensation	-	-	-	4 250 300	-	-	-	-	-	-	-	-	4 250 300
Total liabilities	861 733	3 530 368	87 510	14 033 571	221 954	294 563	3 467 946	256 519	-	7 187 253	1 395 658	(487 448)	30 849 627
Net Assets (Deficit)													
Unrestricted	3 946 839	219 648	913 207	(259 619)	(68 297)	2 072 875	532 493	836 473	-	820 225	467 292	-	9 481 136
Total liabilities and net assets (deficit)	$ 4 808 572	$ 3 750 016	$ 1 000 717	$ 13 773 952	$ 153 657	$ 2 367 438	$ 4 000 439	$ 1 092 992	$ -	$ 8 007 478	$ 1 862 950	$ (487 448)	$ 40 330 763

Allied Services Foundation and Controlled Entities

Combining Schedule - Allied Health Care Services Statement of Operations
Year Ended June 30 2013

	Vocational Services Division	ICF/MR	Allied Burnley	Home Office	Project Opportunity	Home Health	In Home	Mental Health Services	MAC Scranton	MAC Wilkes-Barre	Allied Pharmacy	Combination Eliminations	Combination Combined
Unrestricted Revenues													
Net patient service revenues	$ -	$ 12 229 555	$ -	$ -	$ -	$ 5 012 508	$ -	$ -	$ -	$ -	$ -	$ -	$ 17 242 063
Other revenues	12 055 067	126 076	1 790 780	17 930 595	55 446	-	9 032 445	3 218 370	-	2 941 592	6 750 485	(8 101 741)	45 799 115
Total unrestricted revenues	12 055 067	12 355 631	1 790 780	17 930 595	55 446	5 012 508	9 032 445	3 218 370	-	2 941 592	6 750 485	(8 101 741)	63 041 178
Expenses													
Salaries wages and contract labor	6 913 628	5 679 909	1 201 931	9 193 476	3 178	3 463 249	6 699 381	1 630 576	-	1 047	1 563 844	-	36 350 219
Supplies and expenses	3 065 145	5 111 325	230 581	5 445 104	83 159	915 269	1 163 562	1 055 133	-	2 214 577	4 691 865	(8 101 741)	15 873 979
Employee benefits	1 312 611	1 422 673	211 786	2 258 410	243	572 973	1 204 458	388 472	-	80	255 296	-	7 627 002
Depreciation and amortization	188 330	105 261	46 155	1 370 300	4 873	15 923	1 509	76 270	-	468 987	163 285	-	2 440 893
Interest expense	-	4 571	-	(12 849)	11 182	-	-	3 969	-	93 875	-	-	100 748
Provision for doubtful collections	-	-	-	-	-	-	-	2 514	-	-	27 276	-	29 790
Total expenses	11 479 714	12 323 739	1 690 453	18 254 441	102 635	4 967 414	9 068 910	3 156 934	-	2 778 566	6 701 566	(8 101 741)	62 422 631
Operating income (loss)	575 353	31 892	100 327	(323 846)	(47 189)	45 094	(36 465)	61 436	-	163 026	48 919	-	618 547
Investment (Loss) Income	76 601	-	22	-	82	1 958	(76)	-	-	-	(273)	-	78 314
Revenues in excess of (less than) expenses	651 954	31 892	100 349	(323 846)	(47 107)	47 052	(36 541)	61 436	-	163 026	48 646	-	696 861
Transfers from Affiliates	-	-	-	1 069 779	-	-	-	-	929 373	(1 675 304)	-	-	323 848
Change in unrestricted net assets (deficit)	$ 651 954	$ 31 892	$ 100 349	$ 745 933	$ (47 107)	$ 47 052	$ (36 541)	$ 61 436	$ 929 373	$ (1 512 278)	$ 48 646	$ -	$ 1 020 709