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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
Temple University Hospital Inc

Doing Business As

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

City or town, state or province, country, and ZIP or foreign postal code
Philadelphia, PA 19140

D Employer identification number
23-2825878

E Telephone number
(215) 707-4533

G Gross receipts $ 970,062,422

F Name and address of principal officer
Gerald P Oetzel
3509 N Broad Street No 936
Philadelphia, PA 19140

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 tuh templehealth org

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

L Year of formation 1995

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Our mission is to support Temple University and its Health Sciences Center academic programs by providing the clinical environment and service to support the highest quality teaching and training programs for health care students and professionals, and to support the highest quality research programs

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**	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	6,379
6	Total number of volunteers (estimate if necessary)	**6**	39
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	3,408,519	1,896,241
	9 Program service revenue (Part VIII, line 2g)	828,126,557	873,000,393
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,614,478	7,483,618
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	843,678	0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	839,993,232	882,380,252
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	27,879,613	22,271,386
	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)	394,494,392	402,778,085
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶562,193		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	418,171,801	434,493,602
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	840,545,806	859,543,073
	19 Revenue less expenses Subtract line 18 from line 12	-552,574	22,837,179

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	615,983,705	684,930,096
	21 Total liabilities (Part X, line 26)	442,811,048	476,727,916
	22 Net assets or fund balances Subtract line 21 from line 20	173,172,657	208,202,180

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

****** | 2015-05-13
Signature of officer | Date

Gerald P Oetzel CFO
Type or print name and title

Paid Preparer Use Only

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

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

See Schedule OOur mission is to support Temple University and its Health Sciences Center academic programs by providing the clinical environment and service to support the highest quality teaching and training programs for health care students and professionals, and to support the highest quality research programs

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 $ 727,108,500 including grants of $ 22,271,386) (Revenue $ 872,684,134)

See Schedule OTemple University Hospital was founded in 1892 as "Samaritan Hospital," with the mission of caring for patients with limited incomes and ensuring access to medical care in its surrounding neighborhoods Today, Temple University Hospital is a 722-bed non-profit acute care hospital that provides a comprehensive range of medical services to its North Philadelphia neighborhoods, as well as a broad spectrum of secondary, tertiary, and quaternary care to patients throughout Southeastern Pennsylvania Temple University Hospital serves as one of the most respected academic medical centers in Southeast Pennsylvania As the chief clinical teaching site for the Temple University School of Medicine, Temple University Hospital offers advanced treatments, and access to the latest research innovations, that help many patients achieve treatment outcomes once thought impossible We are proud of our many specialty programs including Abdominal Organ Transplant, Bone Marrow Transplant, Cancer Treatment, Digestive Disease, Heart & Vascular, Pulmonary, Neuroscience and Orthopaedic & Sports Medicine care Temple University Hospital serves one of our nation's most economically challenged and diverse urban populations About 84% of the patients served by Temple University Hospital are covered by government programs, including 33% by Medicare and 51% by Medicaid We are an indispensable provider of health care in the largest city in America without a public hospital Among Pennsylvania's full-service safety-net providers, Temple University Hospital serves the greatest volume and highest percentage of patients covered by Medicaid Temple University Hospital also serves as a critical access point for vital public health services It is the only Level 1 Trauma Center in Southeast Pennsylvania with a Burn Unit Its Episcopal Campus contains all of Temple's behavioral health services, including a psychiatric Crisis Response Center, a full-service Emergency Department, and a 21-bed medical telemetry unit Last year we handled more than 135,000 patients in our Emergency Department, 10,000 patients in our Crisis Response Center, 500 victims of gun and stab violence, and more than 300 patients in our Burn Center We also delivered about 3,000 babies, of whom nearly 90% were covered by Medicaid Temple University Hospital is in a federally designated Urban Renewal Area and is located in a federally designated Medically Underserved Area Its Episcopal Campus is located in a Federal Empowerment Zone About 35% of individuals in Temple's primary service area live below the federal poverty level Temple University Hospital is staffed by 400 employed physicians of the Temple University School of Medicine's practice plan Temple University Physicians represents 17 academic departments including subspecialties in emergency medicine, family practice and pediatrics, cardiology, gastroenterology, oncology, obstetrics and gynecology, orthopedics, neurosurgery, neurology, general and specialty surgery, and psychiatry All Temple University Physicians care for patients covered by Medicaid in both the inpatient and outpatient settings Temple University Hospital takes great pride in the broad array of community services that we provide to our economically challenged neighborhoods and the Southeast Pennsylvania region Below is a summary of this year's programs and activities that advance the health of people and the quality of life in our communities PROVIDING CRITICAL SOCIAL RESOURCES Temple connected about 13,000 people with community-based social services, including free transportation services, legal services, and clothing to destitute patients upon discharge, and free pharmaceuticals, co-pays and medical supplies that provide our most vulnerable patients with the resources they need to help them heal after discharge REACHING OUT TO THE COMMUNITY Temple University Hospital reached more than 40,000 people through our numerous outreach and community building programs We provide free health screenings, support groups for patients and families dealing with alcoholism, narcotics abuse, behavioral health disorders, cancer and other diseases, providing free immunization for flu in cooperation with the City Health Department, offering education on childbirth, mental health, burn prevention, diabetes care and other topics, and providing many other outreach activities In collaboration with local food banks, public schools, and community organizations, we also conduct numerous food, new clothing, and school supply drives to benefit children and adults living in our impoverished neighborhoods CONNECTING PATIENTS WITH FINANCIAL RESOURCES Temple employs 35 Financial Counselors dedicated to helping uninsured and under-insured patients obtain medical coverage This team processes about 5,500 applications annually COMBATING GUN VIOLENCE Philadelphia leads the nation's 10 largest cities in homicides per capita Three police districts with the highest number of shootings fall within our footprint Temple treats more than 500 victims of penetrating wounds annually To address this epidemic, Temple's Cradle to Grave program works with at-risk youth to help break the cycle of gun violence Cradle to Grave engaged 1,500 teens this year, and engaged more than 9,000 teens since the program began in 2006 Its Turning Point intervention program takes advantage of teachable moments that exist during the post-injury/pre-discharge period for survivors of violence INVESTING IN HEALTH PROFESSIONS EDUCATION Temple invests about $59 million to provide the education and training necessary to develop a professional healthcare workforce to benefit the broader community This includes part of the cost of training more than 500 residents and fellows in over 45 teaching programs Our residents and fellows are involved in various efforts that directly impact the community, including our Cradle to Grave program, our HIV clinic, and other community outreach initiatives The exposure that our Residents receive caring for our diverse, low-income community helps Temple address health disparities while developing our nation's future physicians Our investment in health professions also includes part of the cost of operating the Northeastern School of Nursing RN Diploma Program, providing an affordable option for diverse, community members who would not otherwise be able to attend traditional collegiate programs INVESTING IN OUR HOSPITAL WORKFORCE Temple University Hospital's Community Healthcare Workforce Program provided comprehensive training and education to help frontline workers living in the community adapt and build skills to enable them to participate in a changing healthcare workplace About half of the students are union members, and half from the general community, many of whom are laid-off workers and Welfare recipients FOSTERING VOLUNTEERISM Members of Temple University Hospital's Board of Directors are comprised of dedicated volunteers from diverse backgrounds who offer expertise and govern the organization without compensation Similarly, Temple University Hospital's executive team routinely participates in not-for-profit community health and social service organizations, as volunteer members of their boards-of-directors, and as participants in their outreach services In addition, Temple University Hospital engages volunteer community members to help advance its healthcare mission Through our chaplaincy, family support, and other programs, our volunteers served more than 9,000 people last year, helping to advance healing through their compassionate services to patients and their families PROMOTING MULTI-CULTURAL SERVICES With an annual investment of about $1 5 million, Temple University Health System has 349 language-proficient staff, all who have been credentialed through the Linguistic and Cultural Services Department This includes 10 full-time medical interpreters, 2 medical interpreters in leadership roles, 39 active dual-role interpreters, 61 language proficient physicians, 21 RNs, 1 social workers, and 215 other language proficient bi-lingual staff EMERGENCY PREPAREDNESS AND RESEARCH This program helps ensure our staff and hospital facilities are prepared to continue to provide safe, quality patient care even under the most austere conditions We work on many levels, both inside and outside the Temple Health System, educating our communities about the importance of personal preparedness Temple's Emergency Preparedness and Research Program is a critical link in the federal, state, and local disaster response plans

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

DONATING BLOOD Working with the American Red Cross, we help ensure that our nation has a safe and reliable blood supply Temple University Hospital helped collect 650 pints of blood from employees, physicians and community members PHILADELPHIA "MOM" PROGRAM Temple's nursing staff and social workers assist the City in enrolling the new mothers shortly after delivering their infant and prior to discharge New mothers and their babies from birth through the child's 6th birthday are connected with social, educational, and healthcare supports TEMPLE CENTER FOR POPULATION HEALTH (TCPH) Serves as an interface with federal, state and local agencies and with community based organizations to collaborate on initiatives to improve the health of our low-income, diverse, medically complex population Below are a few of its many accomplishments in the past year (1) Community-based Care Transitions Program-in collaboration with the Centers for Medicare and Medicaid Innovation (CMMI) and community partners, the TCPH demonstrated a 35% reduction in readmissions for patients completing the program, (2) Bundled Payment for care Initiative, also in collaboration with CMMI, the TCPH collaborates with long-term care providers to improve outcomes and reduce costs for patients discharged with certain medical conditions, (3) State Innovation Model- the TCPH was a key stakeholder in planning for CMMI funding to help transform Pennsylvania's healthcare delivery and "all payer" payment system, (4) Healthshare exchange of Pennsylvania - our participation in this program will help promote quality improvement through information exchange among participating providers in Philadelphia 5-county region (5) Patient Centered Medical Homes (PCMH) - all Temple primary care practices are in the process of transitioning to NCQA Level III recognition, which is a key component of federal and state accountable care models, (6) The TCPH is a key partner in this federally recognized collaboration with Temple University Center for Social Policy and Community Development , Local 1199C Training and Upgrade fund, and the Philadelphia Works, which provide training and job placement services for community health workers FUELING OUR COMMUNITY'S ECONOMIC ENGINE Temple University Hospital employed more than 3,800 people and paid $400 million in salaries and benefits As a critical employer for North Philadelphia, about 22% of our employees live within its immediate and adjacent zip codes For every $1 00 of hospital employee compensation, about $ 92 additional compensation is spent elsewhere in the community (about $368 million) For every job at Temple University Hospital, about 1 2 additional jobs are generated elsewhere (about 4,600 spin-off jobs) REDUCING THE GOVERNMENT BURDEN Temple University Hospital incurred nearly $47 million in net charity and under-reimbursed care expenses In addition, Temple maintains strong affiliations with the City of Philadelphia, Federally Qualified Health Centers, and numerous community health organizations to help ensure access to care for our vulnerable population KEEPING PATIENTS OUT OF THE EMERGENCY DEPARTMENT Temple University Hospital's Northeastern Campus includes its unique ReadyCare physician practice ReadyCare offers expanded hours 365 days per year, and provides care that is specifically designed to meet the needs of the community - and to prevent unnecessary visits to a hospital Emergency Room SUBSIDIZING CRITICAL HEALTH SERVICES Temple University Hospital invested about $23 million to subsidize critical health care services needed in our community This includes support for our outpatient emergency, acute care and psychiatric services, as well as the inpatient psychiatric services on our Episcopal Campus These physical and mental health services are critical to the health and welfare of our vulnerable communities

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** ▶ 727,108,500

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or 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**	Yes	
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**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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	277		
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	6,379		
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**	17		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review 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 ▶

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

▶Maricar Collins 2450 W Hunting Park Ave - 2nd Flr
Philadelphia, PA 19129 (215) 707-7855

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			

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)** . . . . . ▶								3,696,304	3,477,691	610,958

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 ▶ 599

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Temple University 400 Carnell Hall 1803 N Broad St Philadelphia PA 19121	Physicians, Purchased Services	48,961,579
Temple University Health System 2450 West Hunting Park Avenue Philadelphia PA 19129	Purchased Services, Related Organization	26,582,545
Price Waterhouse Coopers LLP 2001 Market Street 1700 Philadelphia PA 19103	Management Consulting Services	6,380,745
Allied Barton 1617 Washington Street Suite 600 Conshohocken PA 19428	Purchased Guard Services	4,496,437
Synthes USA Sales LLC PO Box 8538-662 Philadelphia PA 19171	Medical Supplier	2,922,883
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 ▶ 38		

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	36,075			
	e	Government grants (contributions)	1e	200,465			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,659,701			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		1,896,241			
Program Service Revenue			Business Code				
	2a	Patient Service Revenue	622110	856,197,938	856,197,938		
	b	Parking Fees	812930	3,961,245	3,961,245		
	c	Rent from Tax Exempt Affiliates	531120	3,376,730	3,376,730		
	d	Cafeteria Sales	722210	3,189,374	3,189,374		
	e	Student Tuition	611600	894,640	894,640		
	f	All other program service revenue		5,380,466	5,380,466		
	g	**Total.** Add lines 2a–2f . . . . . ▶		873,000,393			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		5,079,410			5,079,410
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) . . . . . ▶					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	90,086,378				
	b	Less cost or other basis and sales expenses	87,682,170				
	c	Gain or (loss)	2,404,208				
	d	Net gain or (loss) . . . . . ▶		2,404,208			2,404,208
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶					
	12	**Total revenue.** See Instructions . . . . . ▶		882,380,252	873,000,393	0	7,483,618

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	22,271,386	22,271,386		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,642,757		3,642,757	
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	305,474,369	288,227,010	17,247,359	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	18,024,488	17,006,733	1,017,755	
9 Other employee benefits	52,479,158	49,523,212	2,955,946	
10 Payroll taxes	23,157,313	21,849,732	1,307,581	
11 Fees for services (non-employees)				
a Management	29,501,518		28,939,325	562,193
b Legal	935,793	49,147	886,646	
c Accounting	13,608	108	13,500	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	55,515		55,515	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	112,056,896	67,149,506	44,907,390	
12 Advertising and promotion	326,760	39,835	286,925	
13 Office expenses	138,893,764	138,593,128	300,636	
14 Information technology	11,634,987	11,014,196	620,791	
15 Royalties . .				
16 Occupancy	22,371,230	18,558,077	3,813,153	
17 Travel	816,226	607,133	209,093	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	386,923	345,127	41,796	
20 Interest	17,720,225	17,641,958	78,267	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	25,907,534	25,627,354	280,180	
23 Insurance	16,539,563	16,398,899	140,664	
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 Tax Assessments	37,241,214	17,280,266	19,960,948	
b Equip rental and Mainte	16,049,568	14,033,092	2,016,476	
c Other Expenses	4,042,278	892,601	3,149,677	
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	859,543,073	727,108,500	131,872,380	562,193
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		40,914,636	1	40,338,496
	2	Savings and temporary cash investments		136,043,889	2	149,770,687
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		120,050,295	4	155,989,423
	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		15,971,559	8	19,073,035
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 568,103,143			
	b	Less accumulated depreciation	10b 372,699,826	189,446,480	10c	195,403,317
	11	Investments—publicly traded securities		18,450,159	11	22,993,006
	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		95,106,687	15	101,362,132
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		615,983,705	16	684,930,096
Liabilities	17	Accounts payable and accrued expenses		79,258,996	17	68,674,597
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		2,597,010	20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	5,016,035
	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		360,955,042	25	403,037,284
	26	**Total liabilities.** Add lines 17 through 25		442,811,048	26	476,727,916
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		143,398,530	27	174,581,814
	28	Temporarily restricted net assets		2,515,172	28	2,287,359
	29	Permanently restricted net assets		27,258,955	29	31,333,007
		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		173,172,657	33	208,202,180
	34	Total liabilities and net assets/fund balances		615,983,705	34	684,930,096

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	882,380,252
2	Total expenses (must equal Part IX, column (A), line 25)	2	859,543,073
3	Revenue less expenses Subtract line 2 from line 1	3	22,837,179
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	173,172,657
5	Net unrealized gains (losses) on investments	5	
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	12,192,344
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	208,202,180

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	Yes	
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	Yes	

Additional Data

Software ID:
Software Version:
EIN: 23-2825878
Name: Temple University Hospital Inc

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
Jane Scaccetti Chair	2 00 4 00	X		X				0	0	0
John W Meacham Vice Chair	2 00	X		X				0	0	0
George Corson Jr Director	2 00	X						0	0	0
Dr Solomon C Luo Director	2 00 4 00	X						0	0	0
Samuel M Lehrer Director	2 00	X						0	0	0
Dr Donald B Parks Director	2 00 2 00	X						0	0	0
Dr Eugene M Smolens Director	2 00	X						0	0	0
Herbert E Long Jr Director	2 00	X						0	0	0
Margaret Cobb Director	2 00	X						0	0	0
Richard I Torpey Director	2 00	X						0	0	0
Jane Cameron Director	2 00	X						0	0	0
Jerome Kline Director	2 00	X						0	0	0
Charles Lockyer Director	2 00 2 00	X						0	0	0
Michael Bradshaw Director	2 00	X						0	0	0
Dr Neil Theobald Director	2 00 48 00	X						0	475,368	50,341
Patrick J O'Connor Director	2 00 2 00	X						0	0	0
Larry Kaiser MD Director	2 00 48 00	X						0	1,598,104	21,207
John Kastanis President & CEO	47 00 3 00			X				622,737	0	18,779
Beth C Koob Secretary	3 00 47 00			X				0	489,468	55,855
Betty McAdams Asst Secretary	2 00 48 00			X				0	99,080	15,712
Gerald Oetzel CFO & Treasurer	50 00			X				285,783	0	34,276
Joseph G Klos Asst Treasurer	1 00 49 00			X				0	253,307	34,984
Herbert P White Asst Treasurer	2 00 48 00			X				0	279,228	43,747
Dr Susan Freeman CMO of TUH	50 00				X			428,307	0	35,338
Kathleen Barron Executive Director of TUH/EHC	47 00 3 00				X			331,488	0	35,349

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
Craig Menta AHD Finance of TUH/EHC	50 00				X			216,366	0	27,697
Betty Craig Chief Nursing Officer	50 00				X			287,241	0	27,932
Rose Nolan Chief Operating Officer	50 00				X			330,769	0	18,779
Steven Carson VP Clinical Integration	50 00					X		283,502	0	36,553
Shidong Li Chief Physicist	50 00					X		244,456	0	34,393
Xenia Atienza RN-Staff Clinical Nurse	50 00					X		209,855	0	24,724
Brian Machado AHD Cardiovasular, Pulmona	50 00					X		221,886	0	32,584
Dale Schlegel VP Supply Chain & Support	50 00					X		233,914	0	24,912
Sandra Gomberg President & CEO (former)	50 00						X	0	283,136	37,796

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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
Temple University Hospital Inc

Employer identification number
23-2825878

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
Temple University Hospital Inc

Employer identification number
23-2825878

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	27,258,955	24,828,490	25,627,344	22,039,973	19,620,000
b	Contributions	768,426				1,309,663
c	Net investment earnings, gains, and losses	3,305,627	2,430,465	-798,854	3,587,371	1,110,310
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	31,333,008	27,258,955	24,828,490	25,627,344	22,039,973

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 ▶ 100 000 %
- c Temporarily restricted endowment ▶

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

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

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

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

Part VI Land, Buildings, and Equipment. 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		4,615,971		4,615,971
b Buildings		279,948,923	175,511,096	104,437,827
c Leasehold improvements				
d Equipment		270,322,007	196,569,842	73,752,165
e Other		13,216,242	618,888	12,597,354
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				195,403,317

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) Self Insurance Assets	33,054,876
(2) Assets Held in Perpetual Trust	29,886,130
(3) Due From Affiliated Companies	24,311,407
(4) Assets Held by TU Prepaid Pension	4,844,471
(5) Other Assets	9,265,248
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	101,362,132

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	
Self Insurance Program Liabilities	88,737,131
Unfunded Post Retirement Bnft Obligation	25,986,993
Other Liability General	13,065,678
Temple University Revenue Bond	231,491,951
Other Liabilities	43,755,531
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	403,037,284

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

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

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

Part XIII Supplemental Information

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 V, Line 4	The endowment funds will be used for capital purposes, maintenance of the Liacouras Garden, appreciation awards to "Non-Professional" Employees and to cover the cost of unreimbursed care for the prevention and treatment of crippling diseases in children

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

Employer identification number
23-2825878

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		No
b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 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)			26,392,000		26,392,000	3 070 %
b Medicaid (from Worksheet 3, column a)		163,024	364,561,719	343,974,606	20,587,113	2 400 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		163,024	390,953,719	343,974,606	46,979,113	5 470 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	83	23,186	660,258	150	660,108	0 080 %
f Health professions education (from Worksheet 5)	46		88,885,440	29,924,418	58,961,022	6 860 %
g Subsidized health services (from Worksheet 6)	3	143,172	51,677,548	28,502,037	23,175,511	2 700 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			7,906,894		7,906,894	0 920 %
j **Total.** Other Benefits	132	166,358	149,130,140	58,426,605	90,703,535	10 560 %
k **Total.** Add lines 7d and 7j	132	329,382	540,083,859	402,401,211	137,682,648	16 030 %

Part II Community Building Activities Complete this 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	22	39,003	485,775		485,775	0 060 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development	1	3,000	961,127		961,127	0 110 %
9	Other						
10	**Total**	23	42,003	1,446,902		1,446,902	0 170 %

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	12,867,000		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
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	121,743,707
6	Enter Medicare allowable costs of care relating to payments on line 5	6	129,654,889
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-7,911,182
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?
4

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)

Facility Reporting Group

Name of hospital facility or facility reporting group _____

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) _____

			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 13			
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**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) http //tuh templehealth org			
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 100 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 300 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**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

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		
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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	As set forth in the Temple University Health System Department of Finance Policies and Procedures (TUHS-FIN 302), it is the policy of Temple University Health System to provide all necessary urgent and emergent care to patients without regard to their ability to pay for such care Given this mission and within the guidelines of prudent business management, it is further the policy of Temple University Health System (TUHS) that an orderly and controlled system for the write-off of all types of Bad Debt and Charity Care balances is in effect to insure maximum collections All patients have the option to apply for the TUHS Charity Care Program The guiding principles behind this policy are to treat all patients equally, with dignity and respect, to serve the emergency healthcare needs of everyone in the community, to assist patients who cannot pay and to balance appropriate financial assistance for patients with fiscal responsibility Patients and their families have a responsibility to assist TUHS in qualifying them for financial assistance TUH Inc 's cost to charge ratio for Part 1, lines 7a through 7d is derivedby total expenses divided by the total gross charges

Form and Line Reference	Explanation
Part I, Line 7g	Temple University Hospital invested nearly $23 million to subsidize critical health care services needed in our community This includes support for our outpatient emergency, acute care and psychiatric services, as well the inpatient psychiatric services on our Episcopal Campus These physical and mental health services are critical to the health and welfare of our vulnerable communities

Form and Line Reference	Explanation
Part II, Community Building Activities	Temple University Hospital engages in a number of community building activities throughout the year, serving more than 40,000 people, and indirectly serving tens of thousands more These activities include the following programs Community Support (1) Temple University Hospital Emergency Preparedness and Research Program The purpose of this program is to ensure that our staff and hospital facilities are prepared to continue to provide safe, quality patient care even under the most austere conditions We ensure that our staff and facilities are prepared for disasters and other emergencies by working on many levels, both within the hospital and in the communities we serve The TUH Emergency Preparedness and Research Program is also a critical link in the federal, state and local disaster response plans Our Emergency Preparedness Department is involved in three local committees, including the North Philadelphia Emergency Healthcare Support Zone, the Regional Hospital Subcommittee, and the Emergency Support Function-8 Work Group These committees are focused on creation of drills, policy development, and continuing education (2) Cradle to Grave Anti-Violence This program helps reduce the financial, emotional, and societal costs of gun violence in the City of Philadelphia Temple's Cradle to Grave program works with at-risk youth to help break the cycle of gun violence, reaching more than 1,500 people this year Since the program began in 2006, Cradle to Grave has connected with more than 9,000 middle and high school students, as well as at-risk youth from area alternative schools and the Juvenile Justice Center of Philadelphia (3) Blood Drives Temple University Hospital works closely with the American Red Cross to support its mission of providing a safe and reliable blood supply that helps ensure quality outcomes and save lives This year, Temple helped collect more than 650 pints of blood from employees and physicians (4) Philadelphia MOM program Temple University Hospital assists the Philadelphia Department of Health in providing early interventions for healthy newborns After identification at Temple University Hospital, city social workers make home visitations through the child's 6th birthday to ensure that they have access to healthcare and educational resources (5) Temple University Hospital conducts numerous employees engagement activities throughout the year, including collections for new coats and clothing, holiday gifts, food, and school supplies to benefit low income families living in our communities We are particularly proud of the support that we provide to local public schools, where many families have limited resources to purchase warm weather clothing and school supplies for their young children We also conduct drives to support disabled children and adults to help them participate in the adapted cycling program of the Pennsylvania Center for Adapted Sports (6) Temple University Hospital also assists in providing free space and supports for the City of Philadelphia District Attorney Office Youth Aid Panel, as well as the Philadelphia Election Commission's efforts to provide safe, accessible polling places for community members (7) Temple Center for Population Health Serves as an interface with federal, state and local agencies and with community based organizations to collaborate on initiatives to improve the health of our low-income, diverse, medically complex population Workforce Development Investment in Community's Healthcare Workforce The purpose of this program is to build local workforce and improve skills sets needed to deliver quality healthcare This involves comprehensive training and education to help workers living in our community adapt and improve skills to enable them to participate in a changing healthcare workplace About half the students are union members and half from the general community, including laid-off workers and Welfare recipients Community Health Worker Program Work in partnership with TU Center for Social Policy, District Council 1199c Training and Upgrade Fund and Philadelphia Workforce Development Corporation to develop job skills for unemployed individuals living in our community while achieving the national goals of improving healthcare quality, improving the health of our communities, and reducing the cost of quality care

Form and Line Reference	Explanation
Part III, Line 8	Community Benefit as in Charity Care is when estimated cost of providing services is in excess of payments received In 2013, the cost of providing services to the Medicare population was $7,911,182 higher than revenue Medicare allowable cost was based on cost apportionment derived from the Medicare Cost Report The Medicare shortfall carried by TUH provides a community benefit because it benefits a charitable class, the elderly

Form and Line Reference	Explanation
Part III, Line 9b	Temple University Hospital's collection policy contains provisions on the collection practices to be followed for patients who are known to qualify for charity care If a patient does not qualify for charity care or qualifies for only a charity care discount, the normal billing process of four (4) statements over a span of at least 120 days will occur If no patient response is received, a write-off request form will be completed by the collection specialist and submitted for proper signature authority for agency referral Once approved, the account will be transferred to the Bad Debt Financial Class logged The account will be forwarded to the collection agency for additional collection effort Collection vendors are required to include in their collection notifications notice that Temple provides free and/or reduced price care to persons who qualify, that Temple provides assistance in applying for and obtaining government funded insurance, and that patients can contact Temple's Financial Services Department for assistance

Form and Line Reference	Explanation
Part III, Line 2	Bad debt expense is calculated based on the product of monthly gross charges and a rolling six month average of the ratio of bad debt transfers to gross charges This ratio is derived by dividing the cumulative bad debt transfers with discharge dates between 12 to 18 months prior to each closing month by the corresponding gross charges in the same 12 to 18 month period

Form and Line Reference	Explanation
Part VI, Line 2	In addition to the formal community needs assessment described in Part V Section B, Temple University Hospital further assesses community health needs using comprehensive sets of internal and external data sources Externally, we rely largely on health data compiled by federal, state, city and community based health organizations, including the following *United States Center for Disease Control - (sample reports or data sets) *Pennsylvania Department of Health - (sample reports or data sets)*Pennsylvania Health Care Cost Containment Council (PHC4) - (sample reports or data sets) *Philadelphia Department of Public Health, including the Philadelphia Vital Statistics Report, the Philadelphia Vital Statistics Report by Census Tract and Zip Code Report, the annual Health Center Service Area Report, the Maternal and Child Family Health Data Watch, the Report on Selected Maternal & Child Health Indicators for the City of Philadelphia, 1995-2005 and the Taking Philadelphia's Temperature report *Delaware Valley Healthcare Council - (sample reports or data sets) *Centers for Medicare and Medicaid Services (CMS) Medpar data *Maternity Care Coalition - Childbirth at a Crossroads report *Premier - Care Science Quality Manager*Current literature on evolving health care delivery issues and care delivery models Internally, we rely on the following sources *Collaboration of Medical School and Hospital leadership*Consensus discussion with key clinical providers*Performance Improvement, Risk Management and Patient Safety outcomes *Historic, service line specific utilization data*Organizational community risk assessments (Infection Control, Environment of Care, Emergency Management, Fire Safety Management, Disaster Response)*In addition to data sources, we also work closely with local government offices and not-for-profit community based health and social services organizations to address specific needs of vulnerable populations As the primary safety net hospital serving Philadelphia and its surrounding counties, Temple University Hospital (TUH) maintains strong relationships with area community Health Centers, including the City of Philadelphia Health Centers and many Federally Qualified Health Centers (FQHCs) These partnerships enable TUH to coordinate care delivery in both the inpatient and outpatient settings In Woman's Health TUH collaborates with three FQHCs, Esperanza Community Health Center, Maria Del los Santos Health Center, and Greater Philadelphia Health Action to provide Obstetrical Care Through this partnership community physicians are integrated with the Temple faculty and community practices to provide a full range of obstetrical services for their patients In addition, TUH participates with the City of Philadelphia MOM Program This early intervention program consists of frequent phone calls and home visits to encourage mothers to have their babies immunized on schedule and to participate in needed developmental and educational services The program seeks to fill the gap between children's need for services and mothers' ability to assure their children's participation in those services Temple University Hospital also works closely with our community partners to provide for adult health services The physicians of Esperanza Community Health Center maintain staff privileges and provide continuity of care for their patients at TUH The group participates in the Temple University Internal Medicine Residency Programs Maria Delos Santos Health Center and Greater Philadelphia Health Action provide outpatient services and refer patients to TUH for inpatient care The Hospital also maintains a close relationship with City of Philadelphia Health Department and its District Health Centers TUH works closely with the city to provide for aftercare following hospitalization and often expedites needed specialty care and diagnostic evaluations

Form and Line Reference	Explanation
Part VI, Line 3	35 Financial Counselors assigned to Temple University Hospital screen all uninsured and underinsured patients (including those with high deductibles and co-pays) who are hospitalized or require elective outpatient hospital services to determine their eligibility for government funded medical insurance coverage such as Medicaid and CHIP *Patients that meet the qualifications for these programs are assisted by financial counseling staff throughout each step of the application process Medicaid applications are submitted by TUH on the patient's behalf and tracked until final determination *Patients who do not qualify for government-funded programs are screened for Temple University Health System's Charity Care/Self Pay program to determine their eligibility for free or reduced cost care *Temple's Charity Care/Self Pay discounting policy is not restricted to Emergency Department patients, but is available to inpatients and outpatients as well *Patients who contact the Hospital's Business Office concerning bills they have received that they cannot afford to pay are also screened for Charity Care eligibility *The Financial Counseling Staff at Temple University Hospital also offers assistance in obtaining supplemental coverage as well as prescription drug benefits *Patients are informed of Temple's Financial Services, and direction on how to access these services, through the following means *Posters in plain view at inpatient, outpatient and emergency registration areas and billing offices,*Patient discharge summaries, billing invoices and vendor collection notices, and *Hospital website

Form and Line Reference	Explanation
Part VI, Line 4	Temple University Hospital's service area consists of the following zip codes 19111, 19120, 19121, 19122, 19124, 19125, 19132, 19133, 19134, 19138, 19140, 19141, 19144, and 19149 Zip codes 19111, 19138, and 19149 are additions based on CY2013 PHC4 data This area population retains a disproportionally high percentage of poor and undereducated A Population and Population GrowthThe total population in TUH's service area has slightly increased over the past decade and is projected to remain the same from 2012 to 2017 In contrast, the total U S population has increased over the past decade, and is projected to grow by 3 9% over the next five years B Age DistributionApproximately 27% of the total population within TUH's service area is under the age of 18, approximately 15% higher than the overall average for the United States (23 4%) 27 0% of the TUH service area population is age 18-34, 16% higher than the national average of 23 2% 35 7% of the TUH service area population is age 35-64, 9% less than the national average of 39 2% 10 5% of the TUH service area population is over 65 years old, which is 26% less than the national average of 14 2% The average age of the TUH service area is projected to increase slightly over the next five years The under 18 population is projected to remain nearly unchanged from 2014 to 2019 The 65 and over population is projected to increase from 66,228 in 2014 to 77,818 in 2019, a projected increase of 15% C Education LevelIn 2012, the population in the TUH service area consisted of 63 9% with high school education or less, a rate 50% higher than the national average of 42 6% The TUH service area population consists of 36 1% with education beyond high school, approximately 37% less than the national average of 57 4% D Unemployment and Household IncomeUnemployment Although employment rates are steadily rising, however, in the city of Philadelphia, 7 6% of the total population were unemployed in June 2014, approximately 37 5% higher than the state unemployment rate of 5 6% and 24 5% higher than the national unemployment rate of 6 1% (Source Bureau of Labor Statistics, US Department of Labor, Pennsylvania Department of Labor)Household Income 71% of households in the TUH service area earn less than $50,000 per year, approximately 45% greater than the national average of 48 9% 29% of TUH service area households earn over $50,000 per year, which is approximately 43% less than the national average of 51 1% E Population Below Federal Poverty LevelApproximately 35% of the population living within Temple University Hospital's service area live at or below the federal poverty level This is greater than the national level of 15 1% F Race/EthnicityIn TUH's service area, 46 7% of the total population is Black, nearly three times the national level of 12 3% Hispanics are the second largest population in TUH's service area, comprising 23 9% of the population, compared to the national average of 17 6% The percentage of White population is lower than the nation level, 21 6% in the TUH service area compared to 62 1% nationwide G Payer Mix in 2011Approximately 77% of cases in the Temple University Hospital service area were covered by either Medicaid or Medicare 45 6% for Medicaid, and 31 4% for Medicare (Note the actual percentage of inpatients discharged from Temple University Hospital covered by Medicaid and Medicare is somewhat higher than the percentage of residents living in our primary service area)

Form and Line Reference	Explanation
Part VI, Line 5	Temple University Hospital serves one of our nation's most diverse and economically challenged urban areas, with about 85% of its patients covered by government programs, including 31% covered by Medicare and 53% covered by Medicaid Temple University Hospital is in a federally designated Urban Renewal Area and is located in a federally designated Medically Underserved Area Its Episcopal Campus is located in a Federal Empowerment Zone Temple University Hospital provides substantial charitable care to its community, with nearly $47 million in charity and unreimbursed care, at cost, provided last year In addition to this charity care, Temple University Hospital takes great pride in the broad array of community services that we provide to our economically challenged neighborhoods In addition to those community-building activities described above, we provide programs and activities that advance the health of people and the quality of life in our vulnerable communities PROVIDING CRITICAL SOCIAL RESOURCES Temple connected nearly 13,000 people with community-based social services, including free transportation services, legal services, and clothing to destitute patients upon discharge, and free pharmaceuticals, co-pays and medical supplies that provide our most vulnerable patients with the resources they need to help them heal after discharge REACHING OUT TO THE COMMUNITY Temple University Hospital reached over 40,000 people through our many community outreach and community building initiatives, providing free health screenings, support groups for patients and families dealing with alcoholism, narcotics abuse, behavioral health disorders, cancer and other diseases, providing free immunization for flu in cooperation with the City Health Department, offering education on childbirth, mental health, burn prevention, diabetes care, cancer, smoking cessation, and other topics, and providing many other outreach activities In collaboration with local food banks, public schools, and community organizations, we also conduct numerous food, new clothing, and school supply drives to benefit children and adults living in our impoverished neighborhoods CONNECTING PATIENTS WITH FINANCIAL RESOURCES Temple employs 35 Financial Counselors dedicated to helping uninsured and under-insured patients obtain medical coverage This team processes about 5,500 applications annually FOSTERING VOLUNTEERISM Members of Temple University Hospital's Board of Directors are comprised of dedicated volunteers from diverse backgrounds who offer expertise and govern the organization without compensation Similarly, members of Temple University Hospital's executive staff routinely participate in not-for-profit community health and social service organizations, as volunteer members of their boards-of-directors, and as participants in their outreach services In addition, Temple University Hospital engages volunteer community members to help advance its healthcare mission Through our chaplaincy, family support, and other programs, our volunteers touch more than 9,000 people annually, helping to advance healing through their compassionate services to patients and their families PROMOTING MULTI-CULTURAL SERVICES With an annual investment of about $1 5 million, Temple University Health System has 349 language-proficient staff, all who have been credentialed through the Linguistic and Cultural Services Department This includes 10 full-time medical interpreters, 2 medical interpreters in leadership roles, 39 active dual-role interpreters, 61 language proficient physicians, 21 RNs, 1 social worker, and 215 other language proficient bi-lingual staff KEEPING PATIENTS OUT OF THE EMERGENCY DEPARTMENT Temple University Hospital's Northeastern Campus includes its unique ReadyCare physician practice ReadyCare offers expanded hours 365 days per year, and provides care that is specifically designed to meet the needs of the community, and to prevent unnecessary visits to a hospital Emergency Room REDUCING THE GOVERNMENT BURDEN Temple maintains strong affiliations with the City of Philadelphia, Federally Qualified Health Centers, and numerous community health organizations to help ensure access to care for our vulnerable population We are also partnering with the government on numerous innovative programs to improve care delivery and reduce costs

Form and Line Reference	Explanation
Part VI, Line 6	Temple University Hospital is a member of the Temple University Health System, Inc (TUHS) It is the chief clinical teaching site for the Temple University School of Medicine Consistent with its mission to provide access to the highest quality of health care in both the community and academic setting, Temple University Hospital supports Temple University and its Health Sciences Center academic programs by providing the clinical environment and service to support the highest quality teaching and training programs for health care students and professionals, and to support the highest quality research programs The missions of other members of the Temple University Health System similarly advance the health systems goals, as follows Jeanes Hospital's mission is to maintain and enhance the quality of life for individuals in the communities it serves, the hospital of the Fox Chase Cancer Center is devoted solely to cancer treatment, research, and prevention, the Temple Health System Transport Team, Inc mission is to provide the highest level of critical care transport services available in the mid-Atlantic region, The Institute for Cancer Research, Fox Chase Cancer Center Medical Group and Fox Chase Network's mission is to prevail over cancer, marshalling heart and mind in bold scientific discovery, pioneering prevention and compassionate care and, Temple Physicians, Inc , (TPI) mission is to provide the highest quality of clinical care as well as to support the clinical, administrative and corporate activities of the Temple University Health System

Additional Data

Software ID:
Software Version:
EIN: 23-2825878
Name: Temple University Hospital Inc

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
Part V, Section B	Facility Reporting Group A

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
Facility Reporting Group A consists of	- Facility 1 Temple University Hospital, Inc, - Facility 2 Temple Univ Hosp @ Episcopal Hospital, - Facility 3 Temple Univ Hosp@Bone Marrow@Jeanes, - Facility 4 Northeastern Ambulatory Care Center

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
Facility 1 -- Temple University Hospital, Inc Part V, Section B, line 3	In conducting its CHNA, Temple University Hospital took into account input from representatives of the community served by its facility, including those with special knowledge or expertise in public health Our processes, as well as the persons with whom Temple University Hospital consulted are set forth on pages 13 to 15, as well as Appendix A of the CHNA, which is posted in plain view on the hospital's website at http //tuh templehealth org/content/community_health_information htm As noted in the CHNA, Temple University Hospital held three community meetings at its facilities, which included 19 community leaders Its CHNA also included feedback obtained in four external community CHNA community meetings that were conducted by the Public Health Management Corporation on behalf of Temple University Hospital and other Philadelphia area hospital providers

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
Facility 1 -- Temple University Hospital, Inc Part V, Section B, line 6i	Temple University Hospital participated extensively in the development of the Pennsylvania Department of Health's statewide health planning in connections with its Statewide Innovation Model and its Healthy Pennsylvania Waiver Application to the Federal Centers for Medicare and Medicaid 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
Facility 1 -- Temple University Hospital, Inc Part V, Section B, line 7	Temple University Hospital is addressing most of the needs identified in the CHNA Some needs, such as dental care, however, are not among the clinical service that is provided by our hospital To address cancer care, we are working in partnership with our affiliated Fox Chase Cancer Center Although the federal government and HHS-funded Marketplace Navigators are in a better position to address needs of the uninsured, our Financial Services Department continues to provide services for our patients and families, and is partnering with community stakeholders as our resources allow All unmet needs are identified in our CHNA Implementation strategy, which is posted in plain view on our hospital's website at http //tuh templehealth org/content/community_health_information htm Our approach to unmet needs is explained in Section 10 of that report

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
Facility 1 -- Temple University Hospital, Inc Part V, Section B, line 20d	For patients eligible under the FAP, the maximum amount charged by the hospital was an amount equal to two times the current Medicaid reimbursement amount for services rendered This amount was further discounted for anyone under 300% of the FPIG

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
Facility 2 -- Temple Univ Hosp @ Episcopal Hospital Part V, Section B, line 3	In conducting its CHNA, Temple University Hospital took into account input from representatives of the community served by its facility, including those with special knowledge or expertise in public health Our processes, as well as the persons with whom Temple University Hospital consulted are set forth on pages 13 to 15, as well as Appendix A of the CHNA, which is posted in plain view on the hospital's website at http //tuh templehealth org/content/community_health_information htm As noted in the CHNA, Temple University Hospital held three community meetings at its facilities, which included 19 community leaders Its CHNA also included feedback obtained in four external community CHNA community meetings that were conducted by the Public Health Management Corporation on behalf of Temple University Hospital and other Philadelphia area hospital providers

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
Facility 2 -- Temple Univ Hosp @ Episcopal Hospital Part V, Section B, line 6i	Temple University Hospital participated extensively in the development of the Pennsylvania Department of Health's statewide health planning in connections with its Statewide Innovation Model and its Healthy Pennsylvania Waiver Application to the Federal Centers for Medicare and Medicaid 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
Facility 2 -- Temple Univ Hosp @ Episcopal Hospital Part V, Section B, line 7	Temple University Hospital is addressing most of the needs identified in the CHNA Some needs, such as dental care, however, are not among the clinical service that is provided by our hospital To address cancer care, we are working in partnership with our affiliated Fox Chase Cancer Center Although the federal government and HHS-funded Marketplace Navigators are in a better position to address needs of the uninsured, our Financial Services Department continues to provide services for our patients and families, and is partnering with community stakeholders as our resources allow All unmet needs are identified in our CHNA Implementation strategy, which is posted in plain view on our hospital's website at http //tuh templehealth org/content/community_health_information htm Our approach to unmet needs is explained in Section 10 of that report

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
Facility 2 -- Temple Univ Hosp @ Episcopal Hospital Part V, Section B, line 20d	For patients eligible under the FAP, the maximum amount charged by the hospital was an amount equal to two times the current Medicaid reimbursement amount for services rendered This amount was further discounted for anyone under 300% of the FPIG

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
Facility 3 -- Temple Univ Hosp@Bone Marrow@Jeanes Part V, Section B, line 3	In conducting its CHNA, Temple University Hospital took into account input from representatives of the community served by its facility, including those with special knowledge or expertise in public health Our processes, as well as the persons with whom Temple University Hospital consulted are set forth on pages 13 to 15, as well as Appendix A of the CHNA, which is posted in plain view on the hospital's website at http //tuh templehealth org/content/community_health_information htm As noted in the CHNA, Temple University Hospital held three community meetings at its facilities, which included 19 community leaders Its CHNA also included feedback obtained in four external community CHNA community meetings that were conducted by the Public Health Management Corporation on behalf of Temple University Hospital and other Philadelphia area hospital providers

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
Facility 3 -- Temple Univ Hosp@Bone Marrow@Jeanes Part V, Section B, line 6i	Temple University Hospital participated extensively in the development of the Pennsylvania Department of Health's statewide health planning in connections with its Statewide Innovation Model and its Healthy Pennsylvania Waiver Application to the Federal Centers for Medicare and Medicaid 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
Facility 3 -- Temple Univ Hosp@Bone Marrow@Jeanes Part V, Section B, line 7	Temple University Hospital is addressing most of the needs identified in the CHNA Some needs, such as dental care, however, are not among the clinical service that is provided by our hospital To address cancer care, we are working in partnership with our affiliated Fox Chase Cancer Center Although the federal government and HHS-funded Marketplace Navigators are in a better position to address needs of the uninsured, our Financial Services Department continues to provide services for our patients and families, and is partnering with community stakeholders as our resources allow All unmet needs are identified in our CHNA Implementation strategy, which is posted in plain view on our hospital's website at http //tuh templehealth org/content/community_health_information htm Our approach to unmet needs is explained in Section 10 of that report

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
Facility 3 -- Temple Univ Hosp@Bone Marrow@Jeanes Part V, Section B, line 20d	For patients eligible under the FAP, the maximum amount charged by the hospital was an amount equal to two times the current Medicaid reimbursement amount for services rendered This amount was further discounted for anyone under 300% of the FPIG

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
Facility 4 -- Northeastern Ambulatory Care Center Part V, Section B, line 3	In conducting its CHNA, Temple University Hospital took into account input from representatives of the community served by its facility, including those with special knowledge or expertise in public health Our processes, as well as the persons with whom Temple University Hospital consulted are set forth on pages 13 to 15, as well as Appendix A of the CHNA, which is posted in plain view on the hospital's website at http //tuh templehealth org/content/community_health_information htm As noted in the CHNA, Temple University Hospital held three community meetings at its facilities, which included 19 community leaders Its CHNA also included feedback obtained in four external community CHNA community meetings that were conducted by the Public Health Management Corporation on behalf of Temple University Hospital and other Philadelphia area hospital providers

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
Facility 4 -- Northeastern Ambulatory Care Center Part V, Section B, line 6i	Temple University Hospital participated extensively in the development of the Pennsylvania Department of Health's statewide health planning in connections with its Statewide Innovation Model and its Healthy Pennsylvania Waiver Application to the Federal Centers for Medicare and Medicaid 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
Facility 4 -- Northeastern Ambulatory Care Center Part V, Section B, line 7	Temple University Hospital is addressing most of the needs identified in the CHNA Some needs, such as dental care, however, are not among the clinical service that is provided by our hospital To address cancer care, we are working in partnership with our affiliated Fox Chase Cancer Center Although the federal government and HHS-funded Marketplace Navigators are in a better position to address needs of the uninsured, our Financial Services Department continues to provide services for our patients and families, and is partnering with community stakeholders as our resources allow All unmet needs are identified in our CHNA Implementation strategy, which is posted in plain view on our hospital's website at http //tuh templehealth org/content/community_health_information htm Our approach to unmet needs is explained in Section 10 of that report

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
Facility 4 -- Northeastern Ambulatory Care Center Part V, Section B, line 20d	For patients eligible under the FAP, the maximum amount charged by the hospital was an amount equal to two times the current Medicaid reimbursement amount for services rendered This amount was further discounted for anyone under 300% of the FPIG

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Temple University Hospital Inc

Employer identification number
23-2825878

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Temple University of the Commonwealth System of Higher Education 1109 Wachman Hall 1805 North Broad Street Philadelphia, PA 19122	23-1365971	501(c)(3)	7,906,894				General Support
(2) Temple University Health System 3509 North Broad Street 9th floor Philadelphia, PA 19140	23-2825881	501(c)(3)	9,340,000				General Support
(3) Temple East Inc 3509 North Broad Street 9th floor Philadelphia, PA 19140	23-2547305	501(c)(3)	5,020,392				General Support

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

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

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

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
Schedule I, Part I, Line 2	Grants were made only for tax-exempt purposes

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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
Temple University Hospital Inc

Employer identification number
23-2825878

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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

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 4a	Sandra Gomberg served as CEO of Temple University Hospital, Inc until January 6, 2012 and received severance compensation in the amount of $332,407

Additional Data

Software ID:
Software Version:
EIN: 23-2825878
Name: Temple University Hospital Inc

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Dr Neil Theobald Director	(I) (II)	0 445,368	0 30,000	0 0	0 33,158	0 17,183	0 525,709	0 0
Larry Kaiser MD Director	(I) (II)	0 1,543,904	0 50,000	0 4,200	0 0	0 21,207	0 1,619,311	0 0
John Kastanis President & CEO	(I) (II)	597,537 0	18,000 0	7,200 0	11,475 0	7,304 0	641,516 0	0 0
Beth C Koob Secretary	(I) (II)	0 413,158	0 42,681	0 33,629	0 28,034	0 27,821	0 545,323	0 0
Gerald Oetzel CFO & Treasurer	(I) (II)	267,964 0	13,750 0	4,069 0	16,574 0	17,702 0	320,059 0	0 0
Joseph G Klos Asst Treasurer	(I) (II)	0 235,807	0 0	0 17,500	0 27,623	0 7,361	0 288,291	0 0
Herbert P White Asst Treasurer	(I) (II)	0 262,669	0 0	0 16,559	0 28,034	0 15,713	0 322,975	0 0
Dr Susan Freeman CMO of TUH	(I) (II)	400,307 0	11,442 0	16,558 0	28,034 0	7,304 0	463,645 0	0 0
Kathleen Barron Executive Director of TUH/EHC	(I) (II)	299,327 0	9,054 0	23,107 0	28,034 0	7,315 0	366,837 0	0 0
Craig Menta AHD Finance of TUH/EHC	(I) (II)	191,077 0	7,457 0	17,832 0	25,889 0	1,808 0	244,063 0	0 0
Betty Craig Chief Nursing Officer	(I) (II)	278,588 0	8,550 0	103 0	11,475 0	16,457 0	315,173 0	0 0
Rose Nolan Chief Operating Officer	(I) (II)	321,019 0	9,750 0	0 0	11,475 0	7,304 0	349,548 0	0 0
Steven Carson VP Clinical Integration	(I) (II)	264,106 0	0 0	19,396 0	29,321 0	7,232 0	320,055 0	0 0
Shidong Li Chief Physicist	(I) (II)	244,456 0	0 0	0 0	16,320 0	18,073 0	278,849 0	0 0
Xenia Atienza RN-Staff Clinical Nurse	(I) (II)	208,266 0	500 0	1,089 0	7,435 0	17,289 0	234,579 0	0 0
Brian Machado AHD Cardiovasular, Pulmona	(I) (II)	221,694 0	0 0	192 0	15,065 0	17,519 0	254,470 0	0 0
Dale Schlegel VP Supply Chain & Support	(I) (II)	220,221 0	0 0	13,693 0	23,651 0	1,261 0	258,826 0	0 0
Sandra Gomberg President & CEO (former)	(I) (II)	0 266,388	0 0	0 16,748	0 28,033	0 9,763	0 320,932	0 0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (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
Temple University Hospital Inc

Employer identification number
23-2825878

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Laurie Parks	Daughter of Donald Parks, Governor	89,700	Employment		No
(2) John Testa	Brother-In-Law of Jane Scacetti, Governor	74,683	Employment		No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

Employer identification number
23-2825878

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

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	The sole member of the organization is Temple University Health System, Inc The member has the power to appoint and remove the organization's Board of Governors The approval of the member is required for any of the following actions by the organization (a)any dissolution or liquidation, (b)any merger, (c)any amendments to the Articles of Incorporation, (d)any amendments to the Bylaws regarding the member, the number of Governors, quorum or voting requirements, (e)the sale, pledge, lease (but only a lease from the organization of substantially all of the organization's real property), or other transfer of the assets of the organization other than transactions occurring in the ordinary course of business, (f)any decision resulting in the organization's ceasing to provide appropriate sites for Temple University School of Medicine for comprehensive tertiary acute care services through the organization, (g)any decision to merge with, acquire, or enter into an affiliation with medical schools or medical school hospitals other than the University's, (h)the deletion of any clinical programs that are needed for the accreditation of Temple University School of Medicine or the Temple University School of Podiatric Medicine, (i)the adoption of the organization's annual capital and operating budgets, (j)the issuance or assumption of any indebtedness in excess of Two Million Five Hundred Thousand Dollars ($2,500,000), and (k)the execution of any contract providing for the management of the organization

Return Reference	Explanation
Form 990, Part VI, Section A, line 7a	See Part VI Section A Line 6 Statement above

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	See Part VI Section A Line 6 Statement above

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

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

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

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	The Unaudited Internal Financial Statements of the Temple University Health System and certain of its related organizations are distributed and made available to the public at the end of each quarter as per the System's Continuing Disclosure Agreement (Series of 2007 Bond Issue) through the Digital Assurance Corp (DAC), the Municipal Services Reporting Board's EMMA disclosure site and the Health Systems financial web site The Annual Audited Financial Statements are also released to the public in the same manner To the extent required by applicable law, the organization makes its governing documents available to the public upon request

Return Reference	Explanation
Form 990, Part IX, line 11g	Healthcare Professional Program service expenses 50,631,924 Management and general expenses 18,924,534 Fundraising expenses 0 Total expenses 69,556,458 Purchased Services Program service expenses 11,334,159 Management and general expenses 11,276,477 Fundraising expenses 0 Total expenses 22,610,636 Professional Fees Program service expenses 5,183,423 Management and general expenses 3,560,116 Fundraising expenses 0 Total expenses 8,743,539 Corporate Charges Program service expenses 0 Management and general expenses 11,146,263 Fundraising expenses 0 Total expenses 11,146,263

Return Reference	Explanation
Form 990, Part XI, line 9	Net Unrealized Loss on Investments 4,714,599 Other Comprehensive Pension Income 3,403,700 Net Unrealized Gain on Beneficial Interests 4,074,053 Rounding -8

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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
Temple University Hospital Inc

Employer identification number
23-2825878

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? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) TUHS Insurance Company LTD 3509 N Broad Street 9th Floor - TUC Philadelphia, PA 19140 98-1203189	Malpractice Insurance	BD	Temple University Health System						No
(2) Fox Chase LTD 3509 N Broad Street 9th Floor - TUC Philadelphia, PA 19140 23-2396731	Healthcare	PA	American Oncologic Hospital	C					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	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g	Yes	
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Episcopal Hospital	P	470,788	Negotiated Purchase Agreement
(2) Episcopal Hospital	Q	739,554	Actual Cost
(3) Episcopal Hospital	K	2,100,708	Negotiated Rate
(4) Episcopal Hospital	O	1,543,791	Actual Hours Worked
(5) Temple East Inc	B	5,020,392	Actual Cost
(6) Temple East Inc	C	22,860	Actual Cost

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: 23-2825878
Name: Temple University Hospital Inc

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) Temple University of the Commonwealth System of Higher Ed 300 Sullivan Hall 1330 W Berks St Philadelphia, PA 19122 23-1365971	Education	PA	501c3	Line 2	N/A		No
(1) Temple University Health System Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19140 23-2825881	Health Care	PA	501c3	Line 11a, I	Temple University of the Commonwealth		No
(2) Temple University Health System Foundation Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19140 23-2916108	Health Care	PA	501c3	Line 11a, I	Temple University Hospital Inc	Yes	
(3) Jeanes Hospital 7600 Central Avenue Philadelphia, PA 19111 23-2826045	Health Care	PA	501c3	Line 3	Temple University Health System Inc		No
(4) Jeanes Hospital Auxiliary 7601 Central Avenue Philadelphia, PA 19111 23-1917776	Health Care	PA	501c3	Line 9	Jeanes Hospital		No
(5) Temple East Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19140 23-2547305	Health Care	PA	501c3	Line 11a, I	Temple University Hospital Inc	Yes	
(6) Temple Physicians Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19140 23-2790607	Health Care	PA	501c3	Line 9	Temple University Health System Inc		No
(7) Temple Health System Transport Team Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19140 75-3084023	Health Care	PA	501c3	Line 9	Temple University Health System Inc		No
(8) Episcopal Hospital 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19140 23-1365351	Health Care	PA	501c3	Line 11a, I	Temple University Hospital Inc	Yes	
(9) Temple University Hospital Auxiliary 2450 West Hunting Park Avenue Philadelphia, PA 19129 23-6390560	Health Care	PA	501c3	Line 11a, I			No
(10) American Ongologic Hospital 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19129 23-1352156	Health Care	PA	501c3	Line 3	Temple University Health System Inc		No
(11) Fox Chase Cancer Center Medical Group 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19129 45-4540585	Health Care	PA	501c3	Line 3	American Oncologic Hospital		No
(12) Fox Chase Network Inc 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19129 23-2467337	Health Care	PA	501c3	Line 11b, II	American Oncologic Hospital		No
(13) Institute for Cancer Research 3509 N Broad Street Room 936 c/o TU Philadelphia, PA 19129 23-6296135	Health Care	DE	501c3	Line 4	American Oncologic Hospital		No

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Episcopal Hospital	P	470,788	Negotiated Purchase Agreement
Episcopal Hospital	Q	739,554	Actual Cost
Episcopal Hospital	K	2,100,708	Negotiated Rate
Episcopal Hospital	O	1,543,791	Actual Hours Worked
Temple East Inc	B	5,020,392	Actual Cost
Temple East Inc	C	22,860	Actual Cost

Temple University Health System

Consolidated Financial Statements as of and for the Years Ended June 30, 2014 and 2013, Supplemental Schedules as of and for the Year Ended June 30, 2014, and Independent Auditors' Report

TEMPLE UNIVERSITY HEALTH SYSTEM

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Deloitte

Deloitte & Touche LLP
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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Temple University Health System (a wholly owned subsidiary of Temple University — Of the Commonwealth System of Higher Education) and its subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of June 30, 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 consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Supplementary Consolidating Schedules

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating schedules on pages 48-55 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and are not a required part of the consolidated financial statements. These schedules are the responsibility of the Health System's management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such schedules have been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Deloitte & Touche LLP

October 24, 2014

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2014 AND 2013
(In thousands)

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 85,205	$ 110,936
Patient accounts receivable — net of allowance for doubtful accounts of $33,915 and $30,165 in 2014 and 2013, respectively	163,579	148,807
Other receivables — net of allowance for doubtful accounts of $750 and $698 in 2014 and 2013, respectively	64,670	40,061
Inventories and other current assets	30,870	33,086
Current portion of assets limited as to use	51,393	46,815
Investments	235,991	204,894
Current portion of workers' compensation fund	6,614	5,960
Current portion of self-insurance program receivables	3,000	1,900
Expenditures reimbursable by research grants and awards	4,179	5,788
Total current assets	645,501	598,247
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	13,762	13,750
Buildings	448,091	431,534
Fixed and movable equipment	419,578	404,382
Construction-in-progress	20,364	18,764
	901,795	868,430
Less accumulated depreciation	564,489	531,313
Net property, plant and equipment	337,306	337,117
ASSETS LIMITED AS TO USE	155,346	181,923
INVESTMENTS	30,588	32,835
WORKERS' COMPENSATION FUND	6,037	6,847
ESTIMATED SETTLEMENT WITH THIRD-PARTY PAYORS	-	1,582
SELF-INSURANCE PROGRAM RECEIVABLES	20,778	26,373
GOODWILL AND OTHER INTANGIBLES	22,988	24,524
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	41,113	36,383
BENEFICIAL INTEREST IN THE ASSETS HELD BY EPISCOPAL FOUNDATION	23,541	20,816
BENEFICIAL INTEREST IN THE ASSETS HELD BY FOX CHASE CANCER CENTER FOUNDATION	50,498	41,771
OTHER ASSETS	26,824	24,948
TOTAL ASSETS	$1,360,520	$1,333,366

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2014 AND 2013
(In thousands)

LIABILITIES AND NET ASSETS	2014	2013
CURRENT LIABILITIES		
Current portion of long-term debt	$ 6,873	$ 10,896
Accounts payable	52,703	72,341
Accrued expenses	94,088	85,162
Current portion of estimated settlements with third-party payors	23,100	2,613
Current portion of self-insurance program liabilities	36,202	39,663
Unexpended research grants and awards	1,939	1,569
Other current liabilities	39,366	32,562
Total current liabilities	254,271	244,806
LONG-TERM DEBT	527,050	527,352
ESTIMATED SETTLEMENTS WITH THIRD-PARTY PAYORS	1,139	990
SELF-INSURANCE PROGRAM LIABILITIES	146,511	150,563
ACCRUED POSTRETIREMENT BENEFITS	48,716	50,975
OTHER LONG-TERM LIABILITIES	26,977	29,243
Total liabilities	1,004,664	1,003,929
NET ASSETS		
Unrestricted	210,955	202,394
Temporarily restricted	22,039	20,863
Permanently restricted	122,862	106,180
Total net assets	355,856	329,437
TOTAL LIABILITIES AND NET ASSETS	$ 1,360,520	$ 1,333,366

See notes to consolidated financial statements (Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013
(In thousands)

	2014	2013
UNRESTRICTED NET ASSETS		
Unrestricted revenues and other support		
Net patient service revenue before allowance for doubtful accounts	$1,342,276	$1,282,632
Allowance for doubtful accounts	(21,332)	(20,631)
Total net patient service revenue	1,320,944	1,262,001
Research revenue	33,561	41,573
Contribution revenue	8,362	7,124
Other revenue	37,516	40,227
Investment income	517	841
Net assets released from restrictions used for operations	5,806	4,135
Unrestricted revenues and other support	1,406,706	1,355,901
Expenses		
Salaries	607,416	583,448
Employee benefits	167,742	166,589
Professional fees	78,522	70,942
Supplies and pharmaceuticals	236,867	230,765
Purchased services and other	148,621	141,358
Maintenance	16,945	16,023
Utilities	25,065	24,589
Leases	21,421	19,973
Insurance	32,592	41,732
Depreciation and amortization	50,976	50,810
Interest	29,338	27,226
Asset impairment	803	-
Loss on disposal of fixed assets	373	670
Expenses	1,416,681	1,374,125
Operating loss	(9,975)	(18,224)
Other income — net		
Investment income	12,813	14,690
Excess of fair value of net assets acquired over consideration paid	-	8,887
Other — net	498	2,701
Other income — net	13,311	26,278
Excess of revenues and other support over expenses	3,336	8,054

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013
(In thousands)

	2014	2013
Excess of revenues and other support over expenses	$ 3,336	$ 8,054
Other changes in unrestricted net assets		
Transfers to the University	(7,358)	(8,554)
Net assets released from restrictions used for purchase of property and equipment	1,865	7,688
Net change in fair value of investments	6,649	(6,215)
Interfund transfers	28	(685)
Adjustment to funded status of pension and postretirement liabilities	4,041	23,278
Increase in unrestricted net assets	8,561	23,566
TEMPORARILY RESTRICTED NET ASSETS		
Contribution income	6,667	16,819
Net assets released from restrictions	(7,671)	(11,823)
Net unrealized gain on investments	231	312
Investment income	1,921	1,777
Interfund transfers	28	(465)
Excess of fair value of net assets acquired over consideration paid	-	11,919
Increase in temporarily restricted net assets	1,176	18,539
PERMANENTLY RESTRICTED NET ASSETS		
Contribution income	188	1,415
Investment income	367	-
Change in beneficial interest in assets held by Episcopal Foundation	2,725	2,194
Change in beneficial interest in assets held by Fox Chase Cancer Center Foundation	8,727	6,412
Change in beneficial interest in perpetual trusts	4,730	2,404
Interfund transfers	(55)	1,150
Excess of fair value of net assets acquired over consideration paid	-	51,790
Increase in permanently restricted net assets	16,682	65,365
INCREASE IN NET ASSETS	26,419	107,470
NET ASSETS — Beginning of year	329,437	221,967
NET ASSETS — End of year	$355,856	$329,437

See notes to consolidated financial statements (Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013
(In thousands)

	2014	2013
OPERATING ACTIVITIES		
Increase in net assets from continuing operations	$ 26,419	$ 107,470
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Net realized and unrealized gains on investments	(17,310)	(5,376)
Net realized and unrealized gains on beneficial interests in perpetual trusts and assets held by Episcopal Foundation and Fox Chase Cancer Center Foundation	(16,182)	(9,880)
Depreciation, amortization and accretion	50,152	49,951
Excess of fair value of net assets acquired over consideration paid	-	(72,596)
Intangible amortization	824	895
Impairment on intangibles	803	107
Amortization of bond premium and discount	(388)	(388)
Allowance for doubtful accounts	21,332	20,631
Loss on uncollectible pledges	-	267
Adjustment to funded status of pension and postretirement liabilities	(4,041)	(23,278)
Fair value adjustment of interest rate swaps	-	(70)
Loss on extinguishment of debt	-	808
Proceeds from contributions and investments restricted to property, plant and equipment and endowments	(1,865)	(7,688)
Loss on disposal of fixed assets	373	670
Permanently restricted gifts and donations received	(188)	(1,415)
Transfers to the University	7,358	8,554
Changes in operating assets and liabilities		
Patient accounts receivable	(36,104)	(17,714)
Other receivables	(23,511)	(5,545)
Pledges receivable — net	(613)	(4,136)
Inventories and other current assets	1,689	1,964
Expenditures reimbursable by research grants and awards	1,609	(3,338)
Other assets	(2,458)	13,756
Accounts payable	(21,621)	(1,839)
Accrued expenses	9,101	7,772
Estimated settlements with third-party payors	22,745	(1,106)
Self-insurance program receivables and liabilities	(3,018)	15,349
Unexpended research grants and awards	370	(6,352)
Other liabilities	7,728	(12,284)
Net cash provided by operating activities	23,204	55,189

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013
(In thousands)

	2014	2013
INVESTING ACTIVITIES		
Purchase of AOH assets — net	$ -	$ (83,880)
Increase (decrease) in restricted assets	3,685	(12,719)
Purchases of property, plant and equipment	(48,867)	(58,827)
Purchases of investments	(437,765)	(514,675)
Proceeds from sales of investments	444,695	405,987
Proceeds from sale of fixed assets	31	354
Net cash acquired from excess of fair value of net assets acquired over consideration paid	-	6,953
Net cash used in investing activities	(38,221)	(256,807)
FINANCING ACTIVITIES		
Proceeds from contributions and investments restricted to property, plant and equipment and endowments	1,865	7,688
Repayment of long-term debt	(9,278)	(107,376)
Repayment of capital lease obligations	(2,249)	(3,525)
Proceeds from issuance of long-term debt	6,118	315,391
Proceeds from line of credit	-	3,925
Permanently restricted gifts and donations received	188	1,415
Transfers to the University	(7,358)	(8,554)
Net cash (used in) provided by financing activities	(10,714)	208,964
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(25,731)	7,346
CASH AND CASH EQUIVALENTS — Beginning of year	110,936	103,590
CASH AND CASH EQUIVALENTS — End of year	$ 85,205	$ 110,936
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION — Cash paid for interest	$ 29,454	$ 18,361
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITY		
Amounts recorded for purchases of property and equipment in excess of amounts paid	$ 1,983	$ 412
Cost of assets acquired through capitalized leases	$ 16	$ 59

See notes to consolidated financial statements (Concluded)

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

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

- Temple University Hospital, Inc. ("TUH"), a nonprofit corporation, operating a 721-bed acute care teaching hospital with additional outpatient locations in Philadelphia and Montgomery Counties.

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

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

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

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

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

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

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

- American Oncologic Hospital d/b/a The Hospital of the Fox Chase Cancer Center ("AOH"), a nonprofit corporation, is a 98 licensed bed specialty hospital that provides advanced inpatient and outpatient care to cancer patients.

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

- Fox Chase Cancer Center Medical Group, Inc ("MGI"), a nonprofit corporation, provides physician services to the Fox Chase family of organizations,

- Fox Chase Network, Inc ("Network"), a nonprofit corporation, provides cancer related clinical and administrative services to cancer programs of community hospitals and physicians, and

- Fox Chase, Ltd ("Limited"), a business corporation that holds minority interests in joint ventures with area hospitals

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Cash and Cash Equivalents — Cash equivalents consist primarily of highly liquid investments, such as money market funds and debt instruments with original maturities of three months or less at the time of purchase At June 30, 2014 and 2013, the Health System had cash balances in financial institutions, which exceed federal depository insurance limits Management believes that credit risks related to these deposits is minimal Cash and cash equivalents are carried at cost, which approximates market value

Investments — Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value Investment income or loss (including realized gains and losses, interest, and dividends) is included in other income unless the income is restricted by donor or law, except for investment income on borrowed funds held by trustees as collateral on outstanding debt This investment income is included in unrestricted revenue and other support Unrealized gains and losses on equity securities with readily determinable fair values and all investments in debt securities are excluded from the excess of revenues over expenses unless the amount was recorded as part of the other-than-temporary impairment adjustment as disclosed in Note 6

The Health System also invests in various limited partnerships which are private equity funds Such investments are accounted for on the equity basis of accounting, which approximates fair value as determined by the fund managers and financial information provided by the limited partnership This financial information includes assumptions and methods that were reviewed by the Health System The Health System believes that the estimated fair value is reasonable as of June 30, 2014 and 2013 Because these investments are not readily marketable, the estimated fair values are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market existed, and such differences could be material These investments vary as to their level of liquidity, with differing requirements for notice prior to redemption or withdrawal Investment gains and losses on these funds are included in other income

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

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

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

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

Property, Plant and Equipment — Property, plant and equipment are stated at cost Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method Depreciation expense was $50,279,000 and $49,808,000 for the years ended June 30, 2014 and 2013, respectively Expenditures for maintenance and repairs necessary to maintain property, plant and equipment are charged to operations Costs of renewals and betterments are capitalized The amount of capitalized leases is $12,042,000 and $14,218,000 at June 30, 2014 and 2013, respectively, and is included in the property, plant and equipment balances Amortization of these assets is included with depreciation expense At June 30, 2014 and 2013, the accumulated depreciation balance included $11,336,000 and $11,069,000, respectively, of accumulated amortization of capital leased assets Interest costs incurred on borrowed funds during the period of construction of capital assets, net of interest earned on the unexpended proceeds of tax-exempt borrowings specifically incurred for construction, are capitalized as a component of the cost of acquiring those assets The amounts of capitalized interest costs for the fiscal years ended June 30, 2014 and 2013 were $2,844,000 and $2,800,000, respectively

Long-Lived Assets Review — The Health System reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable If the carrying value of a long-lived asset is considered impaired, a loss is recognized by which the carrying value exceeds the fair value (less any costs related to disposal or abandonment, if applicable) There was no impairment of long-lived assets recorded during the fiscal years ended June 30, 2014 and 2013

Goodwill and Other Intangibles — Goodwill and other intangible assets are accounted for in accordance with the accounting guidance in FASB ASC Topic 350 for *Intangibles — Goodwill and Other* Goodwill and indefinite-lived intangible assets are not amortized, but are evaluated for impairment annually or when indicators of a potential impairment are present The Health System's annual impairment date is June 30th The annual evaluation for impairment of goodwill and indefinite-lived intangibles is based on valuation models that incorporate assumptions and internal projections of expected future cash flows and operating plans Based on the results of the Health System's reviews, an impairment loss of $803,000 was recognized in the results of operations for the fiscal year ended June 30, 2014 There was no impairment loss recognized on goodwill or indefinite-lived intangibles during 2013 Subsequent to the latest review, there have been no events or circumstances that indicate any potential additional impairment of the Health System's goodwill and indefinite-lived intangible asset balance

The cost of intangible assets with determinable useful lives is amortized to reflect the pattern of economic benefits consumed on a straight-line basis over the estimated periods benefited Patents, technology and other intangibles with contractual terms are generally amortized over their respective legal or contractual lives When certain events or changes in operating conditions occur, an impairment assessment is performed and lives of intangible assets with determinable lives may be adjusted and impairment charges recorded During fiscal year 2013, an impairment loss of $107,000 was recognized in the results of operations There was no impairment loss recognized on intangible assets with determinable useful lives during fiscal year 2014 Refer to Note 8 for further information on goodwill and other intangible assets

Asset Retirement Obligations — The Health System recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred, in accordance with FASB ASC Topic 410, if a reasonable estimate of the fair value of the obligation can be made When the liability is initially recorded, the Health System capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset The value of the asset, when established in 2006, was $1,144,000 Over time, the liability is accreted to its present value each period using a discount rate between 5% and 6%, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations and changes in net assets At June 30, 2014 and 2013, the recorded asset retirement obligation liability is $4,352,000 and $4,128,000, respectively Accretion costs for 2014 and 2013 were $257,000 and $241,000, respectively

Deferred Financing Costs — Deferred financing costs are amortized over the term of the related debt Gross deferred financing costs were $5,911,000 as of June 30, 2014 and 2013 Accumulated amortization of deferred financing costs was $990,000 and $633,000 as of June 30, 2014 and 2013, respectively Deferred financing costs are reported as other assets

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

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

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

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

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

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

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

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

contributions of long lived assets, certain adjustments to pension and postretirement liabilities, and gains and losses related to discontinued operations

Net Patient Service Revenue and Estimated Settlements with Third-Party Payors — The Health System records gross patient service revenue in the period that the services are rendered Net patient service revenue before allowance for doubtful accounts represents gross patient service revenue less provisions for contractual adjustments Payments for services rendered to patients covered by Medicare, Medicaid and other government programs are generally less than billed charges and, therefore, provisions for contractual adjustments are made to reduce gross patient service revenue to the estimated cash receipts based on each program`s principles of payment/reimbursement Estimates of contractual allowances for services rendered to patients covered by commercial insurance, including managed care health plans, are primarily based on the payment terms of contractual arrangements, such as predetermined rates per diagnosis, per diem rates or discounted fee for service rates In addition, the Health System receives medical assistance payments for the reimbursement of services for charity and uncompensated care services The federal funding of such costs is subject to an upper payment limit and retrospective settlement Coinsurance and deductibles within the third-party payer agreements are the patient`s responsibility and the Health System considers these amounts in its determination of the allowance for doubtful accounts For services associated with self-pay patients (which include patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Health System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered or when known by the Health System and adjusted in future periods as final settlements or changes in estimates are determined Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term (see Note 3)

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

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

The Health System recognizes EHR incentive payments in accordance with the Internal Accounting Standard 20 ("IAS20") Grant Accounting Model Under the IAS20 Grant Accounting Model, EHR incentive payments are recognized ratably over a compliance period once management is reasonably assured of program compliance for the entire 90-day period (in the first payment year) or 365-day period (in the second through fourth payment years) During fiscal year 2014 and 2013, the Health System

recognized $1,202,000 and $1,328,000, respectively, from Medicare EHR incentive payments and $703,000 and $800,000, respectively, from Medicaid EHR incentive payments

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

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

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

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

Recovery of FICA Taxes Paid in Prior Years — During 2010, the Health System recognized a recovery of the employer portion of Federal Insurance Contributions Act ("FICA") taxes paid by the Health System during the years 1995 through 2005 on the compensation of its medical residents. The recovery, net of consulting fees, was credited to employee benefits expense. The Health System received $1,422,000 and $11,245,000 during fiscal years 2014 and 2013, respectively. The total recovery exceeded the amount recognized during 2010 and, as such, an additional $846,000 was credited to employee benefits expense during 2014. In addition, the Health System received interest on the reimbursement totaling $328,000 and $3,379,000 during 2014 and 2013, respectively, which was recorded as a non-operating gain within other income in the consolidated statements of operations. As of June 30, 2014, all anticipated employer FICA amounts owed to the Health System have been received from the IRS

Recently Issued Accounting Pronouncements — In October 2012, the FASB issued Accounting Standard Update ("ASU") 2012-05 which requires a Not-for-Profit Entity to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statements of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any NFP-imposed limitations for sale and were converted nearly immediately into cash. Application is required prospectively for fiscal years, and interim periods within those years, beginning after June 15, 2013. The Health System adopted the new guidance on July 1, 2013, and determined it did not have an impact on the Health System's consolidated statements of cash flows

In February 2013, the FASB issued ASU 2013-04 which requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is

fixed at the reporting date The guidance in this update also requires an entity to disclose the nature and the amount of the obligation as well as other information about those obligations Application is required for the first annual period ending on or after December 15, 2014 and interim and annual periods thereafter The Health System is currently assessing the impact the adoption of this ASU will have on its consolidated financial statements

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

In December 2013, the FASB issued ASU 2013-12 which will aim to minimize the inconsistency and complexity of having multiple definitions of, or a diversity in practice as to what constitutes, a nonpublic entity and public entity within U S generally accepted accounting principles on a going-forward basis This update addresses those issues by defining public business entity The FASB has not set an actual effective date for the amendments in this update However, the term public business entity will be used in Accounting Standards Updates in the future The Health System is currently assessing the impact the adoption of this ASU will have on its consolidated financial statements

In March 2014, the FASB issued ASU 2014-06 The amendments in this update represent changes to clarify the Master Glossary of the Codification, consolidate multiple instances of the same term into a single definition, or makes minor improvements to the Master Glossary that are not expected to result in substantive changes to the application of existing guidance or create a significant administrative cost to most entities Additionally, the amendments will make the Master Glossary easier to understand, as well as reduce the number of terms appearing in the Master Glossary The amendments in this update do not have transition guidance and will be effective upon issuance for both public entities and nonpublic entities The amendments in this update are not expected to result in substantive changes to the application of existing guidance Additionally, the amendments are not expected to create any new differences between U S GAAP and IFRS The Health System adopted the provisions of this guidance July 1, 2013 and noted no impact to the consolidated financial statements related to this guidance

In May 2014, the FASB issued ASU 2014-09 which clarifies the principles for recognizing revenue from contracts with customers The update outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance The update states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in the amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods and services Entities are required to apply the following steps when recognizing revenue under the update (1) identify the contract(s) with a customer, (2) identify the performance obligation in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation Application is required for the first annual period ending after December 15, 2017 The update allows for a "full retrospective" adoption, meaning the update is applied to all periods presented, or a "modified retrospective" adoption, meaning the update is applied only to the most current period presented in the financial statements Early adoption is not permitted The Health System is currently evaluating the adoption method to apply and the impact that the update will have on its financial position, results of operations, cash flows and financial statement disclosures

3. NET PATIENT SERVICE REVENUE

Net patient accounts receivable includes the allowance for doubtful accounts of $33,915,000 and $30,165,000 at June 30, 2014 and 2013, respectively The allowance for doubtful accounts is estimated based on the Health System's belief that a patient has the ability to pay for services but payment is not expected to be received

Accounts receivable are written off against the allowance for doubtful accounts when management determines that recovery is unlikely and the Health System ceases collection efforts Overall, the total self-pay write-offs has not changed significantly for the year ended June 30, 2014 The Health System has not experienced significant changes in write-off trends nor has the Health System changed its charity care policy

Net patient service revenue before allowance for doubtful accounts from these major payer sources based on primary insurance designation is as follows for the years ended June 30, 2014 and 2013 (in thousands)

	2014	2013
Medicare and Medicaid	$ 867,369	$ 826,406
Self-pay	13,347	18,587
Other third-party payers	461,560	437,639
Total	$ 1,342,276	$ 1,282,632

Net patient service revenue also includes estimates of reimbursement from third-party payers For the fiscal years ended June 30, 2014 and 2013, net patient service revenue increased by $5,367,000 and $2,378,000, respectively, as a result of settlements related to prior years or changes in estimates related thereto

4. BUSINESS AND CREDIT CONCENTRATION

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

The distribution of inpatient services provided from continuing operations (TUH, JH and AOH) based upon patient discharges (excluding newborns) by class of payor for the years ended June 30, 2014 and 2013, is as follows (unaudited)

	2014		2013	
	Discharges	%	Discharges	%
Continuing operations				
Medical assistance				
Fee for service	4,627	11 6 %	4,462	10 8 %
Managed care	11,183	28 1	11,304	27 4
Total medical assistance	15,810	39 7	15,766	38 2
Medicare				
Fee for service	8,579	21 5	9,244	22 5
Managed care	7,589	19 1	7,556	18 3
Total Medicare	16,168	40 6	16,800	40 8
Independence Blue Cross*	5,118	12 9	5,261	12 8
All other	2,702	6 8	3,381	8 2
	39,798	100 0 %	41,208	100 0 %

*Includes Traditional, Personal Choice and Keystone Health Plan East insurance plans

Health Choices is a DPW program that requires all Medical Assistance recipients in the Philadelphia five-county area to join a Medicaid HMO Under Health Choices, DPW has entered into capitation arrangements with five Medicaid HMOs, four of which the Health Systems contracts with, which in turn negotiate separate payment rates with health care providers The Medical Assistance-managed care category above includes the four Medicaid HMOs under the Health Choices program with which the Health System contracts The Health System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of net receivables from third-party payors and patients at June 30, 2014 and 2013, is as follows

	2014	2013
Medical assistance		
Fee for service (FFS)	8 4 %	10 6 %
Managed care	14 4	17 2
Medicare (FFS only)	12 1	13 8
Independence Blue Cross	28 1	22 1
Aetna U S Healthcare	7 7	8 0
Commercial	6 3	7 5
Managed care/HMOs (including Medicare)	19 6	16 9
Other	3 4	3 9
	100 0 %	100 0 %

5. CHARITY CARE

The Health System maintains detailed records to identify and monitor the level of charity care it provides to its patients Charity care costs are estimated by applying an overall cost to charge ratio to charity care charges The cost to charge ratio is calculated by dividing total expenses by total gross patient service revenue before allowance for doubtful accounts The estimated costs and expenses incurred to provide charity care, including the estimated unreimbursed cost of services in excess of payments from Medical Assistance programs, were $154,733,000 and $153,007,000 for the fiscal years ended June 30, 2014 and 2013, respectively (see Note 18)

6. INVESTMENTS

Assets Limited as to Use — The composition of assets limited as to use at June 30, 2014 and 2013, is set forth in the following table (in thousands)

	2014	2013
Under indenture agreements-held by trustee		
Debt service funds	$ 15,909	$ 15,501
Debt service reserve funds	50,250	50,099
Construction fund	39,094	76,109
Capitalized interest fund	1,449	4,397
	106,702	146,106
Under debt agreements	1,125	3,925
Under insurance arrangements (primarily TUHIC)	49,872	48,308
Board designated	14,817	16,496
Donor restricted	17,879	12,927
Workers' and unemployment compensation	782	976
Third-party reserves	15,562	-
	206,739	228,738
Less amounts required for current liabilities	51,393	46,815
	$ 155,346	$ 181,923

By security classification (in thousands)

	2014	2013
U S government securities	$ 83,052	$ 128,406
Fixed income mutual funds	6,477	394
Corporate bonds, notes, and other debt securities	13,652	12,830
Cash, money market funds, and certificates of deposit	99,033	85,571
Equity securities and mutual funds	4,347	1,537
Alternative funds	178	-
	$ 206,739	$ 228,738

Workers' Compensation Fund — Workers' compensation fund at June 30, 2014 and 2013, consisted of (in thousands)

	2014	2013
U S government securities	$ 6,990	$ 7,436
Corporate bonds, notes, and other debt securities	3,770	4,558
Cash, money market funds, and certificates of deposit	978	98
	$ 11,738	$ 12,092

Investments — Investments at June 30, 2014 and 2013, consisted of (in thousands)

	2014	2013
U S government securities	$ -	$ 24
Fixed income mutual funds	183,264	173,650
Corporate bonds, notes, and other debt securities	-	268
Equity securities and mutual funds	52,727	33,075
Real estate	6,187	7,548
Alternative funds	11,588	10,114
Limited liability partnerships	10,885	11,636
Limited liability corporations and joint ventures	1,288	854
Other	640	560
	$ 266,579	$ 237,729

Investment Income — Investment income and gains (losses) from investments, including assets limited as to use and cash and cash equivalents, are comprised of the following for the years ended June 30, 2014 and 2013 (in thousands)

	2014	2013
Interest and dividend income	$ 12,290	$ 14,544
Net realized gains on sales of investments	3,844	3,508
Recognition of other-than-temporary impairment	(516)	(744)
Net unrealized gains (losses)	6,880	(5,903)
	$ 22,498	$ 11,405

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

	2014	2013
Consolidated statements of operations and changes in net assets		
Unrestricted revenues — investment income	$ 517	$ 841
Unrestricted other income — investment income	12,813	14,690
Other changes in unrestricted net assets — net change in fair value	6,649	(6,215)
Temporarily restricted net assets — net unrealized gains	231	312
Temporarily restricted net assets — investment income	1,921	1,777
Permanently restricted net assets — investment income	367	-
	$ 22,498	$ 11,405

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

The following tables provide information on the gross unrealized losses and fair market value of the Health System's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2014 and 2013 (in thousands)

	At June 30, 2014					
	Less Than 12 months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U S government securities	$ -	$ -	$ -	$ -	$ -	$ -
Fixed income mutual funds	2,991	(8)	135,575	(1,365)	138,566	(1,373)
Corporate bonds, notes, and other debt securities	-	-	-	-	-	-
Equity securities and mutual funds	16	(6)	-	-	16	(6)
Total temporarily impaired securities	$ 3,007	$ (14)	$135,575	$(1,365)	$138,582	$(1,379)

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

With respect to the debt and equity securities in an unrealized loss position as of June 30, 2014 and 2013, the Health System has determined it is not more likely than not that the Health System may be required to sell its available-for-sale securities before their anticipated recoveries In assessing whether it is more likely than not that the Health System will be required to sell a security before its anticipated recovery, the Health System considers various factors including its future cash flow requirements, legal and regulatory requirements, the level of its cash, cash equivalents, short-term investments and fixed maturity investments available-for-sale in an unrealized gain position, and other relevant factors

In evaluating credit losses, the Health System considers a variety of factors in the assessment of a security including (1) the time period during which there has been a significant decline below cost, (2) the extent of the decline below cost and par, (3) the potential for the security to recover in value,

(4) an analysis of the financial condition of the issuer, (5) the rating of the issuer, and (6) failure of the issuer of the security to make scheduled interest or principal payments

During fiscal years 2014 and 2013, the Health System recorded other-than-temporary impairment charges of $516,000 and $744,000, respectively, on certain investments in debt and equity securities

TUHIC Debt Securities — At June 30, 2014 and 2013, TUHIC held investments in debt securities which are included as assets limited as to use in the Health System's consolidated balance sheets The amortized cost and estimated fair value of debt securities at June 30, 2014 and 2013, by contractual maturity, are shown below (in thousands) Expected maturities may differ from contractual maturities because borrowers may have the right to call or repay obligations with or without call or prepayment penalties Gross unrealized holding gains on these securities aggregated $509,000 and $228,000 at June 30, 2014 and 2013, respectively Gross unrealized holding losses on these securities aggregated $23,000 and $647,000 at June 30, 2014 and 2013, respectively

	2014		2013	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due within one year	$ 3,440	$ 3,441	$ 1,290	$ 1,299
Due after one year through five years	20,000	20,123	22,728	22,780
Due after five years through ten years	23,332	23,658	21,196	20,685
	46,772	47,222	45,214	44,764
Mortgage and asset-backed securities	2,300	2,335	3,433	3,463
	$ 49,072	$ 49,557	$ 48,647	$ 48,227

7. PLEDGES

As of June 30, 2014 and 2013, pledges are included in the consolidated financial statements at their net present value, less estimated uncollectible amounts, as follows (in thousands)

	2014	2013
Total value of pledges	$ 6,464	$ 5,695
Unamortized discount for gross pledges	(707)	(579)
Reserve for uncollectible pledges	(241)	(213)
Reported value for pledges	$ 5,516	$ 4,903

The discount rate applied to pledges was 5 6% and 4 4% for 2014 and 2013, respectively

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

	2014	2013
Amounts due within one year	$ 2,638	$ 1,540
Amounts due in two to five years	2,672	2,941
Amounts due thereafter	206	422
Reported value for pledges	$ 5,516	$ 4,903

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

8. GOODWILL AND OTHER INTANGIBLES

At June 30, 2013 the Health System had $24,524,000 of goodwill and other intangibles related to our affiliation with AOH and acquisitions of community-based primary care practices by TPI Intangible assets acquired during 2014 relate to additional acquisitions by TPI of $91,000 The Health System recorded an $803,000 impairment loss for the write-down of the AOH trade name to its estimated fair value in accordance with FASB ASC 350, primarily due to adverse projections of expected future cash flows

Goodwill and other intangibles at June 30, 2014 and 2013 are summarized as follows (in thousands)

	Goodwill	Other Intangible Assets	Total
Balance at June 30, 2013	$ 524	$ 24,000	$ 24,524
Adjustments			
Intangible assets acquired	-	91	91
Impairment	-	(803)	(803)
Amortization	-	(824)	(824)
Balance at June 30, 2014	$ 524	$ 22,464	$ 22,988

The intangible assets with indefinite lives were $15,787,000 at June 30, 2014 and 2013 The following table summarizes intangible assets with indefinite lives at June 30, 2014 (in thousands)

	Gross	Impairment	Net
AOH trade name	$ 13,803	$ (803)	$ 13,000
Research and development of intellectual property	1,984	-	$ 1,984
Total intangibles with indefinite lives	$ 15,787	$ (803)	$ 14,984

At June 30, 2014 and 2013, amortizing intangible assets were $7,480,000 and $8,213,000, respectively During 2014, one of the fully amortized primary care practices was closed and its associated gross and accumulated amortization values were removed from the balance of intangibles The gross value of the practice was $208,000 The following table summarizes amortizing intangible assets at June 30, 2014 and 2013 (in thousands)

	2014			
	Gross	Accumulated Amortization	Impairment	Net
Intellectual property	$5,615	$ (824)	$ -	$4,791
Contracts and agreements	1,860	(290)	-	1,570
Physician contracts	1,171	(453)	-	718
Other	619	(218)	-	401
Total amortizing intangibles	$9,265	$ (1,785)	$ -	$7,480

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

During fiscal year 2014, newly acquired intangible assets relate to a community-based primary care practice of $91,000 The weighted average life of this newly acquired intangible asset is 3 0 years

Aggregate amortization expense was $824,000 for the year ended June 30, 2014 Amortization expense for the next five years and thereafter is expected to be as follows (in thousands)

2015	$ 857
2016	853
2017	787
2018	635
2019	603
Thereafter	3,745
Total	$7,480

9. LONG-TERM DEBT

Long-term debt at June 30, 2014 and 2013, was as follows (in thousands)

	2014	2013
2012 TUHS Series A and B Hospital Revenue Bonds issued by the Hospitals and Higher Education Facilities Authority of Philadelphia (the "Authority") at fixed interest rates of 5.0%, 5.625%, and 6.25% due in installments through 2043, (net of unamortized bond premium of $3,745 and $4,442 and bond discount of $6,581 and $6,847 at June 30, 2014 and 2013, respectively)	$308,269	$308,700
2007 TUHS Series A and B Hospital Revenue Bonds, issued by the Authority at fixed interest rates of 5.0% and 5.5%, due in installments through 2035, (net of unamortized bond premium of $619 and $661 and bond discount of $1,272 and $1,358 at June 30, 2014 and 2013, respectively)	208,267	210,763
Loan payable to Episcopal Healthcare Foundation due in December 2020 at a fixed interest rate of 4.0%	3,819	4,324
Loan payable to PNC due in September 2013 at a fixed interest rate of 1.44%	-	3,925
Various capital lease obligations due in installments through 2022 at varied fixed interest rates ranging from 3.18% to 12.93%	2,104	3,027
Equipment financing arrangements due in installments through 2019 at varied fixed interest rates ranging from 2.12% to 3.80%	11,464	7,509
	533,923	538,248
Less current portion of long-term debt	6,873	10,896
	$527,050	$527,352

In July 2012, the Health System issued, through the Authority, $311,105,000 aggregate principal Revenue Bonds consisting of $219,210,000 Series A Bonds and $91,895,000 Series B Bonds The proceeds of the Series A Bonds were used to provide financing for the affiliation with AOH and Affiliates that occurred on July 1, 2012 and for various capital projects throughout the Health System The proceeds of the Series B Bonds were used to defease the Authority's outstanding Revenue Bond Series of 1993, resulting in a loss of approximately ($808,000) which was recorded in the consolidated statements of operations and changes in net assets as a non-operating loss in other income – net for 2013

In connection with the issuance of the 2012 Bonds, the Health System entered into a line of credit arrangement with a participating bank allowing for outstanding borrowings not to exceed $13,425,000 and maturing in September 2013 All borrowings were repaid during fiscal year 2014 and there were no outstanding borrowings at June 30, 2014

The bond issues and notes payable are generally collateralized by the assets and gross revenues of the TUHS Obligated Group and are subject to various financial covenants The TUHS Obligated Group includes TUHS, TUH, JH, TPI, T3, AOH, ICR, MGI and Network The Health System is in compliance with its debt covenants for 2014 and 2013

At June 30, 2014, total aggregate principal payments under long-term debt and capital lease obligations for the next five years and thereafter are (in thousands)

	Long-Term Debt	Capital Leases
2015	$ 6,052	$ 825
2016	14,300	266
2017	14,551	202
2018	13,581	188
2019	12,893	182
Thereafter	473,931	441
Total	$ 535,308	$ 2,104

10. LEASE COMMITMENTS

The Health System leases certain property and equipment under operating lease agreements with remaining terms expiring at various dates through 2046 Lease expenses for 2014 and 2013 were $21,421,000 and $19,973,000, respectively

At June 30, 2014, future minimum payments by year and in the aggregate under non-cancelable operating leases with initial or remaining terms of more than one year are as follows (in thousands)

2015	$ 12,557
2016	9,912
2017	8,485
2018	7,721
2019	7,236
Thereafter	23,454
Total	$ 69,365

11. INTEREST RATE SWAPS

Interest rate swap agreements are used to manage interest rate risk In prior years, two unsecured swap agreements were entered into with Wells Fargo Bank as summarized below

Inception Date	Notional Amount	TUHS Pays	TUHS Receives	Maturity Date
January 23, 2002	$8,000,000	4 395% Fixed	70% of USD-LIBOR	February 1, 2017
December 12, 2006	$8,000,000	70% of USD-LIBOR	61 2% of USD-ISDA 10 year swap rate	February 1, 2017

During 2014, both agreements were terminated The Health System recognized a loss of $11,000 from the termination of these swaps, which is reflected as a component of other income At June 30, 2013, the swaps had negative fair values of $610,000 which was reported in other long-term liabilities on the consolidated balance sheets The change in fair value of these interest rate swaps had been recorded in the consolidated statements of operations as part of non-operating activities

12. RELATED PARTY TRANSACTIONS

Temple University — The Health System has made various transfers of unrestricted net assets to the University to be used for health-related programs and initiatives In fiscal years 2014 and 2013, $7,358,000 and $8,554,000, respectively, in net asset transfers were recognized All of the 2014 and 2013 transfers were disbursed by June 30, 2014 and 2013, respectively

The Health System and University allocate certain costs for services provided to each other Costs billed to the Health System by the University in 2014 and 2013 include (in thousands)

	Health System Expense	
	2014	2013
Medical school clinical physicians	$48,727	$35,174
Maintenance	7,423	7,238
Telecommunications	5,252	4,996
Institutional support	3,454	3,811
Security	2,054	1,790
Employee tuition	1,564	1,061
Other administrative support	12,863	9,771
Total expenses billed	$81,337	$63,841

The University also billed the Health System for capital projects in the amount of $377,000 and $1,488,000 for the years ended June 30, 2014 and 2013, respectively

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

The Health System charges the University for the cost of services provided to the University Amounts billed to the University in 2014 and 2013 include (in thousands)

	2014	2013
Salaries and fringe benefits, primarily for residents	$ 9,620	$ 7,659
Rent	5,331	4,619
Other	2,566	7,431
Total expenses billed to the University	$17,517	$19,709

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

At June 30, 2014 and 2013, $10,626,000 and $25,145,000, respectively, are due to the University for transactions during those years and are included in accounts payable

Health Partners — TUH and Episcopal are participants and governing members in a Medicaid and a Medicare HMO known as Health Partners ("HP") Under certain of its contracts with HP, the Health System is the beneficiary of, or is responsible for, allocated HP gains and losses that are based primarily

on the number of HP members enrolled in the Health System's primary care physicians' network and other factors as approved by the HP board

The Health System's Medicaid percentage allocation for the fiscal years ended June 30, 2014 and 2013 was 31% and 30%, respectively HP's annual premium revenues for Medicaid were approximately $968,605,000 and $947,125,000 for fiscal years 2014 and 2013 For fiscal year 2014, the Health System recognized a gain of $2,353,000 for Medicaid in net patient service revenue from HP members

The Medicare percentage allocation was 50% for 2014 and there was no allocation in previous fiscal years as the Medicare line only began accepting members in fiscal year 2014 HP's annual premium revenues for Medicare were $18,803,000 for fiscal year 2014, while the Health System recognized a loss of ($4,394,000) for Medicare in net patient service revenue from HP members

The Health System's estimated gains and losses are included in the accompanying consolidated statements of operations and changes in net assets as a component of net patient service revenue The net (loss) gain recorded in 2014 and 2013 was ($2,041,000) and $8,265,000, respectively

13. MEDICAL PROFESSIONAL LIABILITY AND WORKERS' COMPENSATION INSURANCE

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

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

The Health System accrues liabilities for the estimated losses on asserted and unasserted claims The discount rate used in determining the liability at June 30, 2014 and 2013, was 1 25% The liabilities are comprised of asserted claims for self-insured components of the program and accruals for unasserted claims Asserted claims are specifically identified, with actuarial determination of the ultimate liability on asserted and unasserted claims based on claims settlement history The estimated discounted liability accrued for asserted and unasserted claims for the Health System was $153,586,000 and $159,958,000 at June 30, 2014 and 2013, respectively The estimated liability accrued for asserted and unasserted claims for TUHIC was $37,399,000 and $35,972,000 at June 30, 2014 and 2013, respectively The Health System incurred net medical professional liability insurance expense of $30,451,000 and $40,886,000 in 2014 and 2013, respectively These costs are recorded in the consolidated statements of operations and changes in net assets as insurance expense

The activity in the liability for claims reported and claims incurred but not reported for TUHIC for the years ended June 30, 2014 and 2013, is summarized as follows (in thousands)

	2014	2013
Outstanding	$ 12,305	$ 13,197
Incurred but not reported	25,094	22,775
	$ 37,399	$ 35,972
Balance — July 1	$ 35,972	$ 27,311
Incurred related to current year	11,859	14,865
Incurred related to prior year	494	3,800
	12,353	18,665
Paid related to current year	168	336
Paid related to prior year	10,758	9,668
	10,926	10,004
Net balance — June 30	$ 37,399	$ 35,972

As a result of changes in estimates of insured events in prior years, loss and loss adjustment expenses relating to prior years have increased by $494,000 and $3,800,000 for the years ended June 30, 2014 and 2013, respectively

TUHIC is registered under the Bermuda Insurance Act of 1978, amendments thereto and the Related Regulations (the "Insurance Act") and is obliged to comply with various provisions of the Insurance Act regarding solvency and liquidity The minimum required statutory capital and surplus at June 30, 2014 and 2013, was $3,740,000 and $3,597,000, respectively, and the actual statutory capital and surplus was $14,389,000 and $14,207,000, respectively The minimum required level of liquid assets was $28,622,000 and $30,188,000 and actual liquid assets were $51,836,000 and $54,458,000 at June 30, 2014 and 2013, respectively

The Health System is primarily self-insured for workers' compensation Program assets at June 30, 2014 and 2013, were $12,651,000 and $12,841,000, respectively Program liabilities were determined using a discount rate of 1 75% and 2 00% for fiscal years 2014 and 2013, respectively The estimated discounted liability accrued at June 30, 2014 and 2013, was $29,127,000 and $30,268,000, respectively Workers' compensation expense was $7,649,000 and $6,994,000 for fiscal years 2014 and 2013, respectively These costs are recorded in the consolidated statements of operations and changes in net assets as employee benefit expense

The Health System follows ASU No 2010-24, which clarifies that a health care entity should not net insurance recoveries against a related claim liability The ASU requires that the ultimate costs of claims or similar contingent liabilities shall be accrued when the incidents that give rise to the claims occur This guidance also requires recognition of additional offsetting assets and liabilities on the balance sheet relating to workers' compensation and medical professional liability recoveries and claims The current and long-term asset balances recorded due to this guidance are reflected on the consolidated balance sheets as current portion of self-insurance program receivables and self-insurance program receivables, while the offsetting liabilities are reflected within current portion of self-insurance liabilities and self-

insurance liabilities The amounts below are also included in the disclosure of liabilities within this footnote above The balances recorded for the years-ended June 30, 2014 and 2013 are summarized as follows (in thousands)

	2014			2013		
	Current	Long-Term	Total	Current	Long-Term	Total
Workers' Compensation						
Open Reserves in excess of retention	$ -	$ 3,274	$ 3,274	$ -	$ 3,604	$ 3,604
Incurred but not recorded reserves in excess of retention	-	2,094	2,094	-	2,536	2,536
Professional Liability						
Claims settled within the MCare Layer	3,000	-	3,000	1,900	-	1,900
Open Reserves within the MCare Layer	-	5,550	5,550	-	7,650	7,650
Incurred but not recorded reserves in excess of the MCare Layer	-	7,332	7,332	-	7,080	7,080
Incurred but not recorded reserves in excess of the Buffer Layer	-	2,528	2,528	-	5,469	5,469
	$ 3,000	$20,778	$23,778	$ 1,900	$26,339	$28,239

14. PENSION AND OTHER POSTRETIREMENT BENEFITS

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

The Health System makes contributions to participants' accounts under the Health System's defined contribution plans based on a defined percentage of the employee's base wages and length of service The Health System contributions to the plans for fiscal years 2014 and 2013 were $22,900,000 and $21,164,000, respectively Contributions to the plans for fiscal year 2015 are expected to be $25,460,000

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

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

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

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

The Health System's participation in these plans for the annual period ended June 30, 2014, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. The most recent Pension Protection Act (PPA) zone status available in 2014 and 2013 is also noted below. The zone status is based on information that the Health System received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status 2014	Pension Protection Act Zone Status 2013	FIP/RP Status Pending/ Implemented	Contributions of TUHS 2014	Contributions of TUHS 2013	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
The Pension Fund for Hospital and Health Care Employees Philadelphia and Vicinity (1)	23-2627428/001	Yellow	Yellow	Yes	$4,331,000	$3,866,000	No	Various up to 2018
Central Pension Fund of the International Union of Operating Engineers and Participating Employers (2)	36-6052390/001	Green	Green	No	96,000	94,000	No	November 2018
				Total contributions	$4,427,000	$3,960,000		

(1) Plan years began 1/1/14 and 1/1/13
(2) Plan years began 2/1/14 and 2/1/13

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

Pension Fund	Exceeded More Than 5% of Total Contributions (as of December 31 of the Plan's Year End)
The Pension Fund for Hospital and Health Care Employees — Philadelphia and Vicinity	2013

At the date these consolidated financial statements were issued, Forms 5500 were not available for the plan year ending in 2014.

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

Postretirement Health Care Plan Trends — For measurement purposes, 8 0% and 7 5% annual rates of increase in the per-capita cost of postretirement benefits were assumed for 2014 for the shared plan of the Health System and University and the AOH and Affiliates plan, respectively, compared to the rates of 8 6% and 7 8% for 2013 For 2014, these rates are assumed to decrease gradually to 5 0% in 2018 and 4 5% in 2028, respectively, and to remain at those levels thereafter Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement benefit plan A one-percentage-point change in assumed health care cost trend rates would have the following effects on the year ended June 30, 2014 (in thousands) for all Health System and University participants

	1% Increase	1% (Decrease)
Incremental effect on total of service and interest cost components	$ 4,983	$ (4,047)
Incremental effect on postretirement benefit obligation	57,091	(47,332)

Defined Benefit Pension, Defined Contribution and Postretirement Benefit Plans — Total defined benefit pension, defined contribution, and other postretirement benefit plans expense under all Health System programs amounted to $31,535,000 and $31,509,000 for the fiscal years ended June 30, 2014 and 2013, respectively

The following table sets forth the activity of the pension and other postretirement benefit plans (which includes the joint Health System and University plans) as of and for the years ended June 30, 2014 and 2013 (dollars in thousands) A measurement date of June 30 is used for the plans

	Pensions		Other Postretirement Benefit Plan	
	2014	2013	2014	2013
Change in benefit obligation				
Benefit obligation — beginning of year	$ 166,292	$ 173,736	$ 375,544	$ 367,665
Affiliation impact	-	-	-	7,255
Service cost	1,971	1,519	14,553	16,948
Interest cost	7,962	7,447	17,228	15,831
Plan participant contributions	185	195	2,431	2,614
Actuarial (gain) loss	13,218	(8,227)	12,444	(18,779)
Benefits paid	(7,319)	(6,814)	(15,565)	(15,990)
Administrative expenses paid	(1,727)	(1,564)	-	-
Benefit obligation — end of year	180,582	166,292	406,635	375,544
Change in plan assets				
Fair value of plan assets — beginning of year	145,530	135,301	262,782	240,684
Actual return on plan assets	21,811	14,813	41,583	19,790
Employer contributions	3,111	3,599	10,320	15,684
Plan participant contributions	185	195	2,431	2,614
Plan expenses	(1,727)	(1,564)	-	-
Benefits paid	(7,319)	(6,814)	(15,565)	(15,990)
Fair value of plan assets — end of year	161,591	145,530	301,551	262,782
Funded status	(18,991)	(20,762)	(105,084)	(112,762)
Less University prepaid (accrued) cost	215	929	(79,784)	(87,060)
Net amount recognized — TUHS Only	$ (19,206)	$ (21,691)	$ (25,300)	$ (25,702)
Amount recognized in the balance sheets, include				
Other noncurrent assets	$ 4,844	$ 4,370	$ -	$ -
Other current liabilities	-	-	(634)	(788)
Accrued postretirement benefits — noncurrent	(24,050)	(26,061)	(24,666)	(24,914)
Net amount recognized — TUHS Only	$ (19,206)	$ (21,691)	$ (25,300)	$ (25,702)

	Pensions		Other Postretirement Benefit Plan	
	2014	2013	2014	2013
Amounts recognized in unrestricted net assets				
Prior service cost (credit)	$ 1	$ 3	$ (9,800)	$ (13,499)
Net actuarial loss	70,695	73,470	13,974	17,308
Net amount recognized in unrestricted net assets	$ 70,696	$ 73,473	$ 4,174	$ 3,809
Weighted-average assumptions to determine benefit obligation				
Discount rate	4.25%-4.50%	4.75%-5.05%	2.65%-4.35%	2.95%-4.80%
Rate of compensation increase	3.00%-4.00%	3.00%-4.00%	N/A	N/A
Weighted-average assumptions to determine net periodic cost				
Discount rate	4.75%-5.05%	4.30%-4.55%	2.95%-4.80%	2.85%-4.30%
Rate of compensation increase	3.00%-4.00%	3.00%-4.00%	N/A	N/A
Expected return on plan assets	7.00%-7.50%	7.00%-7.50%	7.50%	7.50%
Components of net periodic cost (benefit)				
Service cost	$ 1,971	$ 1,519	$ 14,553	$ 16,948
Interest cost	7,962	7,447	17,228	15,831
Expected return on plan assets	(10,383)	(10,205)	(19,528)	(18,190)
Amortization	2	2	(8,092)	(8,092)
Recognized net actuarial loss	4,270	4,816	4,188	10,592
Net periodic cost	3,822	3,579	8,349	17,089
Less University net periodic cost	(419)	(99)	(7,544)	(14,184)
TUHS net periodic cost	$ 3,403	$ 3,480	$ 805	$ 2,905

The estimated net actuarial loss and net prior service costs for the defined benefit plans that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2015 is $4,594,000 and $1,000, respectively. The estimated net actuarial loss and net prior service credit for the postretirement health and life insurance plan that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2015 is $2,992,000 and $8,092,000

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

Pension Plans Assets	Target Allocation Fiscal Year Ending June 30, 2015	Percentage of Plan Assets at June 30, 2014	Percentage of Plan Assets at June 30, 2013
Equity funds and alternative funds	73-90%	74 %	75 %
Cash and fixed income	10-27%	26	25
Total		100 %	100 %

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

Pension and Other Postretirment Benefit Plan Assets	Target Allocation Fiscal Year Ending June 30, 2015	Percentage of Plan Assets at June 30, 2014	Percentage of Plan Assets at June 30, 2013
Equity funds and securities	30-70%	69 %	55 %
Cash and fixed income	30-70%	31	45
Total		100 %	100 %

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

The pension plans assets of the joint Health System and Temple University plans were $161,591,000 and $145,531,000 at June 30, 2014 and 2013, respectively The fair values of the pension plan assets at June 30, 2014, by asset category are as follows (in thousands)

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 5,918	$ -	$ -	$ 5,918
Equity funds and securities	87,962	14,483	-	102,445
Alternative funds	-	-	6,872	6,872
Fixed income mutual funds	25,834	11,679	-	37,513
Limited partnerships	-	162	8,681	8,843
Total market value	$ 119,714	$ 26,324	$ 15,553	$ 161,591

The fair values of the pension plan assets at June 30, 2013, by asset category are as follows (in thousands)

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

Transfers between Levels 1 and 2 — During the year ended June 30, 2014 and 2013, there were no transfers between Levels 1 and 2

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

The following is a reconciliation of investments in securities for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2014

	Balance, July 1	Total Realized/Unrealized Gains (Losses) Included in Net Income	Total Realized/Unrealized Gains (Losses) Included in Net Assets	Purchases	Sales	Transfers Into Level 3	Transfers Out of Level 3	Balance, June 30
Year Ended June 30, 2014								
Alternative funds	$6,421	$ 18	$495	$ -	$ (62)	$ -	$ -	$ 6,872
Limited partnerships	-	-	457	8,224	-	-	-	8,681
Total investments	$6,421	$ 18	$952	$ 8,224	$ (62)	$ -	$ -	$15,553

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

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

Detailed information for Level 2 and Level 3 investments as of June 30, 2014 and 2013, follows The fair values of these investments have been estimated using a net asset value equivalent (e g ownership interest in partners' capital to which a proportionate share of net assets is attributable)

	Fair Value (In Thousands)	Unfunded Commitments (In Thousands)	Redemption Frequency (If Currently Eligible)	Redemption Notice Period (If Applicable)
Year Ended June 30, 2014				
Multi-Strategy Hedge Funds (a)	$15,553	$ -	Daily, Quarterly	0–95 days
Real Estate Funds (b)	4,093	1,939	Monthly, Quarterly	45 days
	$19,646	$ 1,939		
Year Ended June 30, 2013				
Multi-Strategy Hedge Funds (a)	$26,830	$ -	Daily, Quarterly	0–95 days
Real Estate Funds (b)	3,479	-	Quarterly	45 days
	$30,309	$ -		

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

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

The postretirement plan assets of the Joint Health System and Temple University were $301,551,000 and $262,782,000 at June 30, 2014 and 2013, respectively, of which only a portion of this pool of assets

belongs to the Health System The fair values of the postretirement plan assets at June 30, 2014, by asset category are as follows (in thousands)

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 10,224	$ -	$ -	$ 10,224
Equity funds and securities	151,689	24,996	-	176,685
Fixed income index funds	-	86,032	-	86,032
Limited partnerships	-	-	28,610	28,610
Total market value	$ 161,913	$ 111,028	$ 28,610	$ 301,551

The fair values of the postretirement plan assets at June 30, 2013, by asset category are as follows (in thousands)

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

The following is a reconciliation of investments in securities for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2014

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)							
		Total Realized/Unrealized Gains (Losses) Included in						
	Balance, July 1	Net Income	Net Assets	Purchases	Sales	Transfers Into Level 3	Transfers Out of Level 3	Balance, June 30
Year Ended June 30, 2014								
Limited partnerships	$ -	$ -	$2,456	$26,154	$ -	$ -	$ -	$28,610
Total investments	$ -	$ -	$2,456	$26,154	$ -	$ -	$ -	$28,610

Detailed information for Level 2 and Level 3 investments as of June 30, 2014 and 2013, follows The fair values of these investments have been estimated using a net asset value equivalent (e g ownership interest in partners' capital to which a proportionate share of net assets is attributable)

	Fair Value (In Thousands)	Unfunded Commitments (In Thousands)	Redemption Frequency (If Currently Eligible)	Redemption Notice Period (If Applicable)
Year Ended June 30, 2014				
Multi-Strategy Hedge Funds (a)	$28,610	$ -	Quarterly	65–90 days
	$28,610	$ -		

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

Expected Return on Plan Assets — The expected long-term rate of return for the plans' total assets is based on the expected return of each of the above investment categories, weighted based on the median of the target allocation for each class. Equity securities are expected to return 6% to 11% over the long-term, while fixed income is expected to return between 2.5% and 5.75%.

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

	Pension Plans TU/ Health System	Other Postretirement Benefit Plan TU/ Health System
Expected Health System contributions for fiscal year ending June 30, 2015		
Expected employer contributions	$ 4,604	$ 8,834
Expected employee contributions	-	2,407
Estimated future benefit payments from plan assets reflecting expected future service for the fiscal year ending June 30		
2015	7,895	18,846
2016	8,745	19,358
2017	9,270	20,431
2018	9,759	21,398
2019	10,176	22,308
2020 to 2024	56,304	122,712

15. ENDOWMENT

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

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

Endowment net asset composition by type of fund as of June 30, 2014 (in thousands)

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$8,543	$7,710	$ 16,253

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

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

Changes in endowment net assets for the fiscal years ended June 30, 2013 and 2014 (in thousands)

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — June 30, 2012	$ 900	$1,520	$ 2,420
Assets acquired from affiliation	8,393	2,398	10,791
Contributions	51	3,254	3,305
Investment return — investment income	2,145	38	2,183
Appropriations of endowment assets for expenditure	(1,729)	-	(1,729)
Endowment net assets — June 30, 2013	9,760	7,210	16,970
Contributions	215	188	403
Investment return — investment income	2,151	367	2,518
Appropriations of endowment assets for expenditure	(3,583)	-	(3,583)
Interfund transfers	-	(55)	(55)
Endowment net assets — June 30, 2014	$ 8,543	$7,710	$16,253

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Health System to retain as a fund of perpetual duration There were no such deficiencies at June 30, 2014 and 2013

Investment Return Objectives and Spending Policy — The Health System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner to generate returns at least equal to and preferably greater than the consumer price index plus 4 5% To satisfy its long-term rate-of-return objectives, the Health System targets a diversified asset allocation that places a greater emphasis on equity based investments within prudent risk constraints

The Health System has a policy of appropriating for distribution each year 2% to 7% of its endowment fund's average fair value over the prior three years The Board of Directors approved an appropriation of 4 5% for each of the years ended June 30, 2014 and 2013

16. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets were held for the following purposes at June 30, 2014 and 2013 (in thousands)

	2014	2013
Property and equipment additions	$ 878	$ 1,150
Specific health care programs	21,161	19,713
	$ 22,039	$ 20,863

Permanently restricted net assets consist of the following at June 30, 2014 and 2013 (in thousands)

	2014	2013
Endowment funds, income from which is expendable for specific health care programs (income is temporarily restricted)	$ 7,710	$ 7,210
Beneficial interest in perpetual trusts, income from which is expendable to support health care services (income reported as unrestricted)	41,113	36,383
Beneficial interest in assets held by Episcopal Foundation	23,541	20,816
Beneficial interest in assets held by Fox Chase Cancer Center Foundation	50,498	41,771
	$ 122,862	$ 106,180

The Episcopal Healthcare Foundation (the "EH Foundation") controls certain investments that, according to its organizational structure, are held for the benefit of TUH's Episcopal campus operations TUH has recognized the fair market value of investments held by the EH Foundation as an asset (beneficial interest in the assets held by Episcopal Foundation) and permanently restricted net assets of $23,541,000 and $20,816,000 at June 30, 2014 and 2013, respectively

The Fox Chase Cancer Center Foundation (the "FCCC Foundation") controls certain investments that, according to its organizational structure, are held for the benefit of ICR's research operations and AOH's clinical operations ICR and AOH have recognized the fair market value of investments held by the FCCC Foundation as an asset (beneficial interest in the assets held by Fox Chase Cancer Center Foundation) and permanently restricted net assets of $50,498,000 and $41,771,000 at June 30, 2014 and 2013, respectively

As reported by the respective trustees, the composition of the above funds in which the Health System has a beneficial interest is approximately 83% and 79% marketable equity securities and 17% and 21% fixed income securities at June 30, 2014 and 2013, respectively

17. COMMITMENTS AND CONTINGENCIES

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

The Friends Fiduciary Corporation owns the land that JH facilities are located The land is leased to JH for a term ending June 30, 2046, for a nominal rent

JH has committed to making $2,154,000 in additional investments at June 30, 2014, into partnerships (a private equity fund and a real estate fund), which may be requested through capital calls from the partnerships. Detail regarding the unfunded commitments is disclosed in Notes 14 and 19.

TUHIC holds cash and investments in debt securities in the amount of $49,872,000 and $48,308,000 as of June 30, 2014 and 2013, respectively, which are being held in trust in order to secure TUHIC's liabilities under certain reinsurance contracts.

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

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

The following grants and support relate mainly to providing access to health care services including care for the uninsured and indigent population (see Note 5 – "Charity Care"). For the fiscal years ended June 30, 2014 and 2013, the Health System received grants from the Commonwealth of Pennsylvania's Department of Public Welfare in the amounts of $46,933,000 and $35,264,000, respectively. Also, the Health System received Commonwealth funding for inpatient and outpatient disproportionate share. In fiscal years 2014 and 2013, the disproportionate share payments received by the Health System amounted to $28,983,000 for each year, funding for the Academic Health Center amounted to $6,437,000 and $6,402,000, respectively, funding for medical education amounted to $12,552,000 and $12,485,000, respectively, and other funding received amounted to $12,859,000 and $14,398,000, respectively. These amounts are included in net patient service revenue in the accompanying consolidated statements of operations and changes in net assets. There is no guarantee that this funding will continue in future years. Under certain circumstances, the Health System could be required to repay certain of the grants received from the Commonwealth. Management believes that the likelihood of such repayment is remote.

19. FAIR VALUE MEASUREMENTS

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

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

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

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

Level 2 — Level 2 inputs include the following

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

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

The following table sets forth, by level within the fair value hierarchy, the financial assets and liabilities recorded at fair value on a recurring basis and its equity method alternative investments as of June 30, 2014 (in thousands)

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets limited as to use				
U S government securities	$ 33,861	$ 49,191	$ -	$ 83,052
Fixed income mutual funds	6,477	-	-	6,477
Corporate bonds, notes, and other debt securities	-	13,652	-	13,652
Cash, money market funds, and certificates of deposit	98,388	645	-	99,033
Equity securities and mutual funds	4,347	-	-	4,347
Alternative funds	-	-	178	178
	143,073	63,488	178	206,739
Workers' Compensation Fund				
U S government securities	5,579	1,411	-	6,990
Corporate bonds, notes, and other debt securities	-	3,770	-	3,770
Cash, money market funds, and certificates of deposit	978	-	-	978
	6,557	5,181	-	11,738
Investments				
Fixed income mutual funds	183,264	-	-	183,264
Equity securities and mutual funds	52,728	-	-	52,728
Real estate	-	6,187		6,187
Alternative funds	-	888	10,699	11,587
Limited liability partnerships	-	7,658	2,217	9,875
	235,992	14,733	12,916	263,641
Beneficial interest in perpetual trusts	-	-	41,113	41,113
Beneficial interest in the assets held by Episcopal Foundation	-	-	23,541	23,541
Beneficial interest in the Fox Chase Cancer Center Foundation	-	-	50,498	50,498
Total	$385,622	$ 83,402	$128,246	$597,270

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

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

Transfers between Levels 1 and 2 — During the year ended June 30, 2014 and 2013, there were no transfers between Levels 1 and 2

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

The following is a reconciliation of financial instruments for which significant unobservable inputs (Level 3) were used in determining fair value (in thousands) for the year ended June 30, 2014

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)							
		Total Realized/Unrealized Gains (Losses) Included in						
	July 1, 2013	Net Income (Loss)	Net Asset	Purchases	Sales	Transfer Into Level 3	Transfer Out of Level 3	June 30, 2014
Year ended June 30, 2014								
Assets — investments								
Alternative funds	$ 9,383	$ 1,059	$ -	$ 2,874	$ (2,439)	$ -	$ -	$ 10,877
Limited liability partnerships	3,577	280	-	-	(1,640)	-	-	2,217
Total investments	$ 12,960	$ 1,339	$ -	$ 2,874	$ (4,079)	$ -	$ -	$ 13,094
Beneficial interest in perpetual trusts	$ 36,383	$ -	$ 4,730	$ -	$ -	$ -	$ -	$ 41,113
Beneficial interest in the assets held by Episcopal Foundation	$ 20,816	$ -	$ 2,725	$ -	$ -	$ -	$ -	$ 23,541
Beneficial interest in Fox Chase Cancer Center Foundation	$ 41,771	$ -	$ 8,727	$ -	$ -	$ -	$ -	$ 50,498

For the year ended June 30, 2013, all transfers in relate to the affiliation with AOH and Affiliates

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

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

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

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

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

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

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

Interest rate swaps classified as Level 2 are valued using techniques including discounted cash flow analysis on the expected cash flows of each derivative This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves The valuation incorporates credit valuation adjustments to appropriately reflect both our nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements In adjusting the fair value for the effect of nonperformance risk, the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees, was considered The majority of the inputs used fall within Level 2 of the fair value hierarchy, the credit valuation adjustments utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties As of June 30, 2013, the credit valuation adjustments were not significant to the overall valuation As a result, the valuations in their entirety were appropriately classified in Level 2 As discussed in Note 11, both interest rate swaps were terminated during 2014

Detailed information for Level 2 and Level 3 investments as of June 30, 2014 and 2013, follows The fair values of these investments have been estimated using a net asset value equivalent (e g ownership interest in partners' capital to which a proportionate share of net assets is attributable)

	Fair Value (In thousands)	Unfunded Commitments (In thousands)	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (if Applicable)
Year ended June 30, 2014				
Multi-Strategy Hedge Funds (a)	$ 11,349	$ -	Annual, Quarterly	45–95 days
Distressed Debt Hedge Funds (b)	58	-		
Private Equity Funds (d)	963	163		
Stock Funds (e)	888	-		
Real Estate Funds (f)	8,383	52	Monthly	45 days
	$ 21,641	$215		
Year ended June 30, 2013				
Multi-Strategy Hedge Funds (a)	$ 9,931	$ -	Annual, Quarterly	45–95 days
Distressed Debt Hedge Funds (b)	331	-		
Long Short Hedge Funds (c)	383	-	Annual	95 days
Private Equity Funds (d)	1,296	167		
Stock Funds (e)	731	-		
Real Estate Funds (f)	8,073	52	Monthly	45 days
	$ 20,745	$219		

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

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

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

(d) This category includes investments in private equity partnerships whose strategy is to add 5% in value comparable public investments and that will be in the top 25% of comparable private equity managers In 2014 and 2013, investments representing 98% of the value of the investments in this category cannot be redeemed

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

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

The fair value of the Health System's pension assets is disclosed in Note 14

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

Long-Term Debt — The fair value of long-term debt is based on quoted market prices or is estimated using discounted cash flow analyses for similar types of borrowing arrangements based on incremental borrowing rates The carrying and fair values of long-term debt, excluding capital lease obligations, the Episcopal Healthcare Foundation debt and equipment financing arrangements at June 30, 2014, are $516,536,000 and $516,813,000, respectively The carrying and fair values of long-term debt, excluding capital lease obligations, the Episcopal Healthcare Foundation debt and equipment financing arrangements at June 30, 2013, were $519,463,000 and $525,209,000, respectively

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

20. FUNCTIONAL EXPENSES

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

	2014	2013
Health care services	$1,083,898	$1,046,145
Research	39,386	42,072
General and administrative	290,150	283,730
Institutional support	3,247	2,178
	$1,416,681	$1,374,125

21. SUBSEQUENT EVENTS

The Health System has evaluated subsequent events through October 24, 2014, the date the financial statements were issued There were no additional subsequent events requiring recording or disclosure in the consolidated financial statements

* * * * * *

SUPPLEMENTAL SCHEDULES

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2014
(In thousands)

ASSETS	Temple University Hospital, Inc	Jeanes Hospital	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc	Fox Chase Network, Inc	Temple Physicians Inc	Temple Health System Transport Team, Inc	TUHS Parent Company (1)	Obligated Group Eliminations	Obligated Group Consolidated
CURRENT ASSETS											
Cash and cash equivalents	$ 40,338	$ 3,215	$ 225	$ 1,063	$ 171	$ 13	$ 625	$ 219	$ 25,358	$ -	$ 71,227
Patient accounts receivable — net of allowance for doubtful accounts	103,146	16,600	-	32,769	4,849	-	6,215	-	-	-	163,579
Other receivables — net of allowance for doubtful accounts	54,214	1,374	2,624	1,140	981	330	629	639	1,599	-	63,530
Inventories and other current assets	19,073	4,341	789	4,839	-	-	379	12	1,424	-	30,857
Current portion of assets limited as to use	-	-	34	17,290	18	-	-	-	30,296	-	47,638
Investments	149,771	18,905	-	16	-	-	-	-	37,801	-	206,493
Current portion of workers' compensation fund	6,044	292	-	-	-	-	7	57	214	-	6,614
Current portion of self-insurance program receivables	-	-	-	-	-	-	-	-	3,000	-	3,000
Expenditures reimbursable by research grants and awards	-	-	4,160	19	-	-	-	-	-	-	4,179
Due from affiliates — current portion	7,953	4,076	2,919	43,006	7,691	3,312	4,000	104	24,484	(97,174)	371
Total current assets	380,539	48,803	10,751	100,142	13,710	3,655	11,855	1,031	124,176	(97,174)	597,488
PROPERTY, PLANT AND EQUIPMENT											
Land and land improvements	5,598	1,785	1,056	5,083	-	-	-	-	9	-	13,531
Buildings	279,949	79,771	23,158	23,273	-	-	4,152	-	25,524	-	435,827
Fixed and movable equipment	270,322	46,804	16,987	21,599	171	-	5,866	495	57,330	-	419,574
Construction-in-progress	12,234	1,492	312	2,671	-	-	-	-	3,655	-	20,364
	568,103	129,852	41,513	52,626	171	-	10,018	495	86,518	-	889,296
Less accumulated depreciation	372,700	106,226	7,542	11,792	116	-	5,911	475	49,787	-	554,549
Net property, plant and equipment	195,403	23,626	33,971	40,834	55	-	4,107	20	36,731	-	334,747
ASSETS LIMITED AS TO USE	4,060	508	9,479	4,365	-	-	-	-	90,817	-	109,229
INVESTMENTS	18,932	4,133	6,187	1,094	-	-	-	-	32	-	30,378
WORKERS' COMPENSATION FUND	4,424	1,227	-	-	-	-	163	59	164	-	6,037
ESTIMATED SETTLEMENT WITH THIRD PARTY PAYOR	-	-	-	-	-	-	-	-	-	-	-
SELF-INSURANCE PROGRAM RECEIVABLES	22,587	2,496	-	399	650	-	4,087	-	20,778	(30,219)	20,778
INVESTMENT IN TUHIC	-	-	-	-	-	-	-	-	14,396	-	14,396
GOODWILL AND INTANGIBLES	-	-	6,775	13,400	-	2,094	719	-	-	-	22,988
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	6,345	18,227	16,541	-	-	-	-	-	-	-	41,113
BENEFICIAL INTEREST IN ASSETS HELD BY EPISCOPAL FOUNDATION	23,541	-	-	-	-	-	-	-	-	-	23,541
BENEFICIAL INTEREST IN THE ASSETS HELD BY FOX CHASE CANCER CENTER FOUNDATION	-	-	44,778	5,720	-	-	-	-	-	-	50,498
DUE FROM AFFILIATES	14,988	-	-	-	-	-	-	-	368,464	(383,452)	-
OTHER ASSETS	14,110	977	5,431	1,161	3	-	68	-	5,356	-	27,106
TOTAL ASSETS	$684,929	$ 99,997	$133,913	$167,115	$ 14,418	$ 5,749	$ 20,999	$ 1,110	$660,914	$(510,845)	$1,278,299

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

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2014
(In thousands)

ASSETS	Temple East, Inc	Episcopal Hospital	TUHS Insurance Company, Ltd	TUHS Foundation	Fox Chase Limited	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
CURRENT ASSETS								
Cash and cash equivalents	$ -	$ 3,262	$ 1,637	$ 9,079	$ -	$ 13,978	$ -	$ 85,205
Patient accounts receivable — net of allowance for doubtful accounts	-	-	-	-	-	-	-	163,579
Other receivables — net of allowance for doubtful accounts	-	65	1,043	32	-	1,140	-	64,670
Inventories and other current assets	-	6	7	-	-	13	-	30,870
Current portion of assets limited as to use	-	-	3,755	-	-	3,755	-	51,393
Investments	-	4,510	-	24,988	-	29,498	-	235,991
Current portion of workers' compensation fund	-	-	-	-	-	-	-	6,614
Current portion of self-insurance program receivables	-	-	-	-	-	-	-	3,000
Expenditures reimbursable by research grants and awards	-	-	-	-	-	-	-	4,179
Due from affiliates — current portion	-	188	-	-	8	196	(567)	-
Total current assets	-	8,031	6,442	34,099	8	48,580	(567)	645,501
PROPERTY, PLANT AND EQUIPMENT								
Land and land improvements	-	231	-	-	-	231	-	13,762
Buildings	-	12,264	-	-	-	12,264	-	448,091
Fixed and movable equipment	-	4	-	-	-	4	-	419,578
Construction-in-progress	-	-	-	-	-	-	-	20,364	
		12,499				12,499		901,795
Less accumulated depreciation	-	9,940	-	-	-	9,940	-	564,489
Net property, plant and equipment	-	2,559	-	-	-	2,559	-	337,306
ASSETS LIMITED AS TO USE	-	-	46,117	-	-	46,117	-	155,346
INVESTMENTS	-	-	-	-	210	210	-	30,588
WORKERS' COMPENSATION FUND	-	-	-	-	-	-	-	6,037
ESTIMATED SETTLEMENT WITH THIRD PARTY PAYOR	-	-	-	-	-	-	-	-
SELF-INSURANCE PROGRAM RECEIVABLES	-	-	-	-	-	-	-	20,778
INVESTMENT IN TUHIC	-	-	-	-	-	-	(14,396)	-
GOODWILL AND INTANGIBLES	-	-	-	-	-	-	-	22,988
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	-	-	-	-	-	-	-	41,113
BENEFICIAL INTEREST IN ASSETS HELD BY EPISCOPAL FOUNDATION	-	23,541	-	-	-	23,541	(23,541)	23,541
BENEFICIAL INTEREST IN THE ASSETS HELD BY FOX CHASE CANCER CENTER FOUNDATION	-	-	-	-	-	-	-	50,498
DUE FROM AFFILIATES	-	-	-	-	-	-	-	-
OTHER ASSETS	-	(282)	-	-	-	(282)	-	26,824
TOTAL ASSETS	$ -	$ 33,849	$ 52,559	$ 34,099	$ 218	$ 120,725	$ (38,504)	$ 1,360,520

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2014
(In thousands)

LIABILITIES AND NET ASSETS	Temple University Hospital, Inc	Jeanes Hospital	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc	Fox Chase Network, Inc	Temple Physicians Inc	Temple Health System Transport Team, Inc	TUHS Parent Company (1)	Obligated Group Eliminations	Obligated Group Consolidated
CURRENT LIABILITIES											
Current portion of long-term debt	$ 1.288	$ 19	$ 168	$ 660	$ -	$ -	$ -	$ -	$ 4.213	$ -	$ 6.348
Accounts payable	25.348	5.929	4.012	10.744	615	80	137	10	5.046	-	51.921
Accrued expenses	43.325	6.603	2.697	10.750	4.484	50	3.697	203	38.675	(19.501)	90.983
Current portion of estimated settlements with third-party payors	8.657	1.706	-	12.737	-	-	-	-	-	-	23.100
Current portion of self-insurance program liabilities	15.430	2.750	178	1.542	436	-	1.701	57	3.214	-	25.308
Unexpended research grants and awards	-	-	1.607	45	23	264	-	-	-	-	1.939
Due to affiliates — current portion	15.217	4.230	43.072	10.083	12.236	1.565	1.764	503	8.700	(97.174)	196
Other current liabilities	15.107	3.322	188	366	72	-	611	-	18.778	-	38.444
Total current liabilities	124.372	24.559	51.922	46.927	17.866	1.959	7.910	773	78.626	(116.675)	238.239
LONG-TERM DEBT	3.727	24	1.142	712	-	-	-	-	518.151	-	523.756
ESTIMATED SETTLEMENTS WITH THIRD-PARTY PAYORS	-	1.139	-	-	-	-	-	-	-	-	1.139
SELF-INSURANCE PROGRAM LIABILITIES	73.308	13.774	762	4.711	3.150	-	13.395	179	21.445	(10.718)	120.006
ACCRUED POSTRETIREMENT BENEFITS	25.987	9.288	1.574	3.061	601	-	-	-	-	-	40.511
DUE TO AFFILIATES	230.629	48.721	14.014	75.100	-	-	-	-	14.988	(383.452)	-
OTHER LONG-TERM LIABILITIES	18.703	1.195	1.085	1.658	113	-	-	-	2.448	-	25.202
Total liabilities	476.726	98.700	70.499	132.169	21.730	1.959	21.305	952	635.658	(510.845)	948.853
NET ASSETS (DEFICIT)											
Unrestricted	174.582	(17.334)	(15.721)	21.437	(7.312)	3.790	(306)	158	25.251	-	184.545
Temporarily restricted	2.288	328	14.579	4.839	-	-	-	-	5	-	22.039
Permanently restricted	31.333	18.303	64.556	8.670	-	-	-	-	-	-	122.862
Total net assets (deficit)	208.203	1.297	63.414	34.946	(7.312)	3.790	(306)	158	25.256	-	329.446
TOTAL LIABILITIES AND NET ASSETS	$684.929	$ 99.997	$133.913	$167.115	$ 14.418	$ 5.749	$ 20.999	$ 1.110	$660.914	$(510.845)	$1.278.299

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

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING BALANCE SHEET INFORMATION
AS OF JUNE 30, 2014
(In thousands)

LIABILITIES AND NET ASSETS	Temple East, Inc	Episcopal Hospital	TUHS Insurance Company, Ltd	TUHS Foundation	Fox Chase Limited	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
CURRENT LIABILITIES								
Current portion of long-term debt	$ -	$ 525	$ -	$ -	$ -	$ 525	$ -	$ 6,873
Accounts payable	-	60	719	3	-	782	-	52,703
Accrued expenses	-	509	45	-	-	554	2,551	94,088
Current portion of estimated settlements with third-party payors	-	-	-	-	-	-	-	23,100
Current portion of self-insurance program liabilities	-	-	10,894	-	-	10,894	-	36,202
Unexpended research grants and awards	-	-	-	-	-	-	-	1,939
Due to affiliates — current portion	-	182	-	-	189	371	(567)	-
Other current liabilities	-	922	-	-	-	922	-	39,366
Total current liabilities	-	2,198	11,658	3	189	14,048	1,984	254,271
LONG-TERM DEBT	-	3,294	-	-	-	3,294	-	527,050
ESTIMATED SETTLEMENTS WITH THIRD-PARTY PAYORS	-	-	-	-	-	-	-	1,139
SELF-INSURANCE PROGRAM LIABILITIES	-	2,551	26,505	-	-	29,056	(2,551)	146,511
ACCRUED POSTRETIREMENT BENEFITS	-	8,205	-	-	-	8,205	-	48,716
DUE TO AFFILIATES	-	-	-	-	-	-	-	-
OTHER LONG-TERM LIABILITIES	-	25,316	-	-	-	25,316	(23,541)	26,977
Total liabilities	-	41,564	38,163	3	189	79,919	(24,108)	1,004,664
NET ASSETS (DEFICIT)								
Unrestricted	-	(7,715)	14,396	34,096	29	40,806	(14,396)	210,955
Temporarily restricted	-	-	-	-	-	-	-	22,039
Permanently restricted	-	-	-	-	-	-	-	122,862
Total net assets (deficit)	-	(7,715)	14,396	34,096	29	40,806	(14,396)	355,856
TOTAL LIABILITIES AND NET ASSETS	$ -	$ 33,849	$ 52,559	$ 34,099	$ 218	$ 120,725	$ (38,504)	$ 1,360,520

(Concluded)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
(In thousands)

	Temple University Hospital, Inc	Jeanes Hospital	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc	Fox Chase Network, Inc	Temple Physicians Inc	Temple Health System Transport Team, Inc	TUHS Parent Company (1)	Obligated Group Eliminations	Obligated Group Consolidated
UNRESTRICTED NET ASSETS											
Unrestricted revenues and other support											
Net patient service revenue before allowance for doubtful accounts	$869.064	$141.010	$ -	$250.154	$ 32.406	$ -	$ 57.961	$ -	$ -	$ (6.571)	$1.344.024
Allowance for doubtful accounts	(12.867)	(3.520)	-	(2.865)	(986)	-	(1.094)	-	-	-	(21.332)
Total net patient service revenue	856.197	137.490	-	247.289	31.420	-	56.867	-	-	(6.571)	1.322.692
Research revenue	-	-	33.561	-	-	-	-	-	-	-	33.561
Contribution revenue	1.146	8	6.326	871	-	-	-	-	11	-	8.362
Other revenue	16.227	6.121	1.059	1.214	6.149	1.546	17.478	5.232	105.513	(123.525)	37.014
Investment income	-	-	-	-	-	-	-	-	517	-	517
Net assets released from restrictions used for operations	576	143	4.916	171	-	-	-	-	-	-	5.806
Unrestricted revenues and other support	874.146	143.762	45.862	249.545	37.569	1.546	74.345	5.232	106.041	(130.096)	1.407.952
Expenses											
Salaries	305.459	57.929	40.154	73.883	46.735	726	52.234	3.796	25.790	-	606.706
Employee benefits	94.448	17.341	10.743	20.828	5.924	231	8.651	1.040	7.741	-	166.947
Professional fees	64.567	11.080	944	3.249	101	142	4.305	18	7.526	(13.424)	78.508
Supplies and pharmaceuticals	137.922	24.995	6.003	62.494	66	-	2.458	160	2.605	3	236.706
Purchased services and other	136.325	23.540	5.238	43.623	(860)	202	7.158	1.131	16.213	(84.249)	148.321
Maintenance	12.125	3.597	-	-	-	-	178	36	736	-	16.672
Utilities	12.849	1.967	4.008	3.220	-	-	1.014	57	1.382	-	24.497
Leases	13.298	1.256	189	3.124	-	-	4.104	1.510	4.550	(4.262)	23.769
Insurance	16.539	3.092	90	1.558	3.901	1	6.831	45	49	-	32.106
Depreciation and amortization	25.908	5.555	3.944	5.419	46	145	1.490	16	7.697	-	50.220
Interest	17.720	3.446	951	5.163	57	-	48	5	29.950	(28.164)	29.176
Estimated asset impairment	-	-	-	803	-	-	-	-	-	-	803
Loss (gain) on disposal of fixed assets	115	44	3	9	-	-	-	-	202	-	373
Expenses	837.275	153.842	72.267	223.373	55.970	1.447	88.471	7.814	104.441	(130.096)	1.414.804
Operating gain (loss)	36.871	(10.080)	(26.405)	26.172	(18.401)	99	(14.126)	(2.582)	1.600	-	(6.852)
Other income — net											
Investment income	7.484	3.778	894	142	123	-	296	3	(44)	-	12.676
Other (loss) income	263	-	-	70	-	-	-	-	-	-	333
Other income — net	7.747	3.778	894	212	123	-	296	3	(44)	-	13.009
Excess (deficiency) of revenues and other support over expenses from continuing operations	44.618	(6.302)	(25.511)	26.384	(18.278)	99	(13.830)	(2.579)	1.556	-	6.157

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

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
(In thousands)

	Temple East, Inc	Episcopal Hospital	TUHS Insurance Company, Ltd	TUHS Foundation	Fox Chase Limited	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
UNRESTRICTED NET ASSETS								
Unrestricted revenues and other support								
Net patient service revenue before allowance for doubtful accounts	$ -	$ (1,748)	$ -	$ -	$ -	$ (1,748)	$ -	$ 1,342,276
Allowance for doubtful accounts	-	-	-	-	-	-	-	(21,332)
Total net patient service revenue	-	(1,748)	-	-	-	(1,748)	-	1,320,944
Research revenue	-	-	-	-	-	-	-	33,561
Contribution revenue	-	-	-	-	-	-	-	8,362
Other revenue	-	2,850	11,444	-	-	14,294	(13,792)	37,516
Investment income	-	-	-	-	-	-	-	517
Net assets released from restrictions used for operations	-	-	-	-	-	-	-	5,806
Unrestricted revenues and other support	-	1,102	11,444	-	-	12,546	(13,792)	1,406,706
Expenses								
Salaries	-	710	-	-	-	710	-	607,416
Employee benefits	-	795	-	-	-	795	-	167,742
Professional fees	-	14	-	-	-	14	-	78,522
Supplies and pharmaceuticals	-	161	-	-	-	161	-	236,867
Purchased services and other	-	270	107	30	-	407	(107)	148,621
Maintenance	-	273	-	-	-	273	-	16,945
Utilities	-	568	-	-	-	568	-	25,065
Leases	-	-	-	-	-	-	(2,348)	21,421
Insurance	-	486	12,506	-	-	12,992	(12,506)	32,592
Depreciation and amortization	-	756	-	-	-	756	-	50,976
Interest	-	162	-	-	-	162	-	29,338
Estimated asset impairment	-	-	-	-	-	-	-	803
Loss (gain) on disposal of fixed assets	-	-	-	-	-	-	-	373
Expenses	-	4,195	12,613	30	-	16,838	(14,961)	1,416,681
Operating Gain (loss)	-	(3,093)	(1,169)	(30)	-	(4,292)	1,169	(9,975)
Other Income — Net								
Investment income	-	66	900	118	(47)	1,037	(900)	12,813
Other (loss) income	-	165	-	-	-	165	-	498
Other income — net	-	231	900	118	(47)	1,202	(900)	13,311
Excess (deficiency) of revenues and other support over expenses from continuing operations	-	(2,862)	(269)	88	(47)	(3,090)	269	3,336

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
(In thousands)

	Temple University Hospital, Inc	Jeanes Hospital	Institute for Cancer Research	American Oncologic Hospital	FCCC Medical Group, Inc	Fox Chase Network, Inc	Temple Physicians, Inc	Temple Health System Transport Team, Inc	TUHS Parent Company (1)	Obligated Group Eliminations	Obligated Group Consolidated
Excess (deficiency) of revenues and other support over expenses from continuing operations	$ 44.618	$ (6.302)	$ (25.511)	$ 26.384	$ (18.278)	$ 99	$ (13.830)	$ (2.579)	$ 1.556	$ -	$ 6.157
Other changes in unrestricted net assets											
Transfers (to) from affiliates the University	(22.245)	(4.960)	14.098	(21.567)	10.929	-	10.046	2.500	(746)	-	(11.945)
Net assets released from restrictions used for purchase of property and equipment	693	-	1.112	60	-	-	-	-	-	-	1.865
Net change in fair value of investments	4.715	186	-	442	-	-	-	-	436	-	5.779
Interfund transfers	-	-	(164)	192	-	-	-	-	-	-	28
Adjustment to funded status of pension and postretirement liabilities	3.404	444	(167)	(326)	(64)	-	-	-	-	-	3.291
Increase (decrease) in unrestricted net assets	31.185	(10.632)	(10.632)	5.185	(7.413)	99	(3.784)	(79)	1.246	-	5.175
TEMPORARILY RESTRICTED NET ASSETS											
Contribution income	619	285	4.852	911	-	-	-	-	-	-	6.667
Net assets released from restrictions	(1.269)	(143)	(6.028)	(231)	-	-	-	-	-	-	(7.671)
Net unrealized gains on investments	231	-	-	-	-	-	-	-	-	-	231
Investment income	136	-	1.572	213	-	-	-	-	-	-	1.921
Interfund transfers	-	-	164	(136)	-	-	-	-	-	-	28
Equity transfers from (to) affiliates	55	-	-	-	-	-	-	-	-	-	55
Increase (decrease) in temporarily restricted net assets	(228)	142	560	757	-	-	-	-	-	-	1.231
PERMANENTLY RESTRICTED NET ASSETS											
Contribution income	-	-	165	23	-	-	-	-	-	-	188
Investment income	-	-	158	209	-	-	-	-	-	-	367
Change in beneficial interest in assets held by Episcopal Foundation	2.725	-	-	-	-	-	-	-	-	-	2.725
Change in beneficial interest in assets held by Fox Chase Cancer Center Foundation	-	-	7.738	989	-	-	-	-	-	-	8.727
Change in beneficial interest in perpetual trusts	581	2.009	2.140	-	-	-	-	-	-	-	4.730
Interfund transfers	-	-	-	(55)	-	-	-	-	-	-	(55)
Equity transfers from (to) affiliates	768	-	-	-	-	-	-	-	-	-	768
Increase in permanently restricted net assets	4.074	2.009	10.201	1.166	-	-	-	-	-	-	17.450
INCREASE (DECREASE) IN NET ASSETS	35.031	(8.481)	129	7.108	(7.413)	99	(3.784)	(79)	1.246	-	23.856
NET ASSETS (DEFICIT) — Beginning of year	173.173	9.779	63.286	27.837	101	3.690	3.477	237	24.011	-	305.591
NET ASSETS (DEFICIT) — End of year	$208.204	$ 1.298	$ 63.415	$ 34.945	$ (7.312)	$ 3.789	$ (307)	$ 158	$ 25.257	$ -	$ 329.447

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

(Continued)

TEMPLE UNIVERSITY HEALTH SYSTEM

SUPPLEMENTAL SCHEDULE OF CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
(In thousands)

	Temple East, Inc	Episcopal Hospital	TUHS Insurance Company, Ltd	TUHS Foundation	Fox Chase Limited	Non-Obligated Group Consolidated	Remaining Eliminations	Temple University Health System Consolidated
Excess (deficiency) of revenues and other support over expenses from continuing operations	$ -	$ (2.862)	$ (269)	$ 88	$ (47)	$ (3.090)	$ 269	$ 3.336
Other changes in unrestricted net assets								
Transfers (to) from affiliates the University	4.998	-	-	(411)	-	4.587	-	(7.358)
Net assets released from restrictions used for purchase of property and equipment	-	-	-	-	-	-	-	1.865
Net change in fair value of investments	-	131	450	739	-	1.320	(450)	6.649
Interfund transfers	-	-	-	-	-	-	-	28
Adjustment to funded status of pension and postretirement liabilities	-	750	-	-	-	750	-	4.041
Increase (decrease) in unrestricted net assets	4.998	(1.981)	181	416	(47)	3.567	(181)	8.561
TEMPORARILY RESTRICTED NET ASSETS								
Contribution income	-	-	-	-	-	-	-	6.667
Net assets released from restrictions	-	-	-	-	-	-	-	(7.671)
Net unrealized gains on investments	-	-	-	-	-	-	-	231
Investment income	-	-	-	-	-	-	-	1.921
Interfund transfers	-	-	-	-	-	-	-	28
Equity transfers from (to) affiliates	(55)	-	-	-	-	(55)	-	-
Increase (decrease) in temporarily restricted net assets	(55)	-	-	-	-	(55)	-	1.176
PERMANENTLY RESTRICTED NET ASSETS								
Contribution income	-	-	-	-	-	-	-	188
Investment income	-	-	-	-	-	-	-	367
Change in beneficial interest in assets held by Episcopal Foundation	-	-	-	-	-	-	-	2.725
Change in beneficial interest in assets held by Fox Chase Cancer Center Foundation	-	-	-	-	-	-	-	8.727
Change in beneficial interest in perpetual trusts	-	-	-	-	-	-	-	4.730
Interfund transfers	-	-	-	-	-	-	-	(55)
Equity transfers from (to) affiliates	(768)	-	-	-	-	(768)	-	-
Increase in permanently restricted net assets	(768)	-	-	-	-	(768)	-	16.682
INCREASE (DECREASE) IN NET ASSETS	4.175	(1.981)	181	416	(47)	2.744	(181)	26.419
NET ASSETS (DEFICIT) — Beginning of year	(4.175)	(5.733)	14.215	33.679	75	38.061	(14.215)	329.437
NET ASSETS (DEFICIT) — End of year	$ -	$ (7.714)	$ 14.396	$ 34.095	$ 28	$ 40.805	$ (14.396)	$ 355.856

(Concluded)