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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
Thomas Jefferson University Hospitals Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
111 South 11th Street
Suite

City or town, state or province, country, and ZIP or foreign postal code
Philadelphia, PA 191074824

D Employer identification number
23-2829095

E Telephone number
(215) 503-8958

G Gross receipts $ 1,631,163,421

F Name and address of principal officer
David P McQuaid
111 South 11th Street
Philadelphia, PA 191074824

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 JEFFERSON EDU

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

L Year of formation 1995

M State of legal domicile PA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
Attachment 1

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	9,333
6	Total number of volunteers (estimate if necessary)	6	557
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	14,901,567
b	Net unrelated business taxable income from Form 990-T, line 34	7b	437,045

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	4,838,363	2,144,582
	9	Program service revenue (Part VIII, line 2g)	1,477,775,043	1,500,941,034
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	30,741,424	13,773,506
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,674,227	-6,811,773
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,517,029,057	1,510,047,349
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	286,650	85,259
	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)	608,800,081	622,664,588
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶1,216,704		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	798,148,522	836,249,669
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,407,235,253	1,458,999,516
	19	Revenue less expenses Subtract line 18 from line 12	109,793,804	51,047,833

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	1,454,279,123	1,535,753,867
	21	Total liabilities (Part X, line 26)	767,335,355	735,379,067
	22	Net assets or fund balances Subtract line 21 from line 20	686,943,768	800,374,800

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

▶ Signature of officer — Date 2015-05-14

▶ NEIL LUBARSKY 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
MATTHEW D PETROSKI				P00853132

Firm's name ▶ PricewaterhouseCoopers LLP — Firm's EIN ▶

Firm's address ▶ 2001 MARKET ST SUITE 1700
PHILADELPHIA, PA 19103 — Phone no (215) 503-8958

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

TJUH IS DEDICATED TO IMPROVING THE HEALTH OF THE COMMUNITIES WE SERVE WE ARE COMMITTED TO 1) SETTING THE STANDARD FOR EXCELLENCE IN THE DELIVERY OF PATIENT CARE, PATIENT SAFETY AND THE QUALITY OF THE HEALTHCARE EXPERIENCE 2) PROVIDING EXEMPLARY CLINICAL SETTINGS FOR EDUCATING THE HEALTHCARE DELIVERY PROFESSIONALS WHO WILL FORM THE COLLABORATIVE HEALTHCARE DELIVERY TEAM OF TOMORROW 3) LEADING IN THE INTRODUCTION OF INNOVATIVE METHODOLOGIES FOR HEALTHCARE DELIVERY AND QUALITY IMPROVEMENT WE ACCOMPLISH OUR MISSION IN PARTNERSHIP WITH TJU

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 $ 1,271,601,940 including grants of $ 75,000) (Revenue $ 1,486,039,467)

TJUH PROVIDES MEDICALLY NECESSARY SERVICES TO ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY SOME PATIENTS QUALIFY FOR CHARITY CARE BASED ON POLICIES ESTABLISHED BY TJUH AND ARE THEREFORE NOT RESPONSIBLE FOR PAYMENT FOR ALL OR A PART OF THEIR HEALTHCARE SERVICES THESE POLICIES ALLOW FOR THE PROVISION OF FREE OR DISCOUNTED CARE IN CIRCUMSTANCES WHERE REQUIRING PAYMENT WOULD IMPOSE FINANCIAL HARDSHIP ON THE PATIENT CHARGES FOR SERVICES RENDERED TO PATIENTS WHO MEET TJUH'S GUIDELINES FOR CHARITY CARE ARE NOT SEPARATELY RECORDED IN PROGRAM SERVICE REVENUE TJUH COMPLIES WITH THE COMMUNITY BENEFIT STANDARD AS SET FORTH IN REVENUE RULING 69-545 TJUH MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE PROVIDED THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FOREGONE FOR SERVICES AND SUPPLIES FURNISHED SUCH AMOUNTS HAVE BEEN EXCLUDED FROM PROGRAM SERVICE REVENUE MANAGEMENT ESTIMATES THAT THE COST OF CHARITY CARE PROVIDED BY TJUH WAS $12,604,551 IN FISCAL YEAR 2014 THIS DOES NOT INCLUDE THE PROVISION FOR BAD DEBTS, AMOUNTING TO $60,053,048 WHICH IS REFLECTED WITHIN LINE 2A OF THE ACCOMPANYING STATEMENT OF REVENUE SERVICES ARE PROVIDED TO PATIENTS IN THE COMMUNITY WHO ARE INSURED UNDER THE PENNSYLVANIA MEDICAL ASSISTANCE PROGRAM THE COSTS OF PROVIDING SERVICES TO ELIGIBLE WELFARE RECIPIENTS WHO PARTICIPATE IN THIS PROGRAM EXCEEDED REIMBURSEMENT BY $65,090,681 IN FURTHERANCE OF ITS EXEMPT PURPOSE TO BENEFIT THE COMMUNITY, TJUH PROVIDES EDUCATION AND TRAINING FOR MEDICAL RESIDENTS, NURSES AND OTHER HEALTHCARE PROFESSIONALS AMOUNTS EXPENDED FOR THESE SERVICES EXCEEDED REIMBURSEMENT BY $22,168,237 TJUH ALSO PROVIDES VARIOUS COMMUNITY SERVICES SUCH AS THE PROVISION OF SUBSIDIZED EMERGENCY SERVICES, TELEMEDICINE SERVICES FOR STROKE PATIENTS AT COMMUNITY HOSPITALS, EDUCATION FOR DIABETES AND HEART DISEASE, SCREENINGS FOR STROKE AND CANCER RISK, CANCER SUPPORT GROUPS, SENIOR HEALTH EDUCATION, NUTRITIONAL COUNSELING FOR OBESITY, MATERNAL AND CHILDBIRTH EDUCATION, AND YOUTH PARTICIPATION IN VARIOUS WORK-READY OR CAREER PREPARATION PROGRAMS MANY OF THESE SERVICES TARGET AREAS OF HEALTH DISPARITY AND INCLUDE WORKING WITH SCHOOLS, GRASSROOTS ORGANIZATIONS, AND OTHER PARTNERS THE NET AMOUNTS EXPENDED FOR THESE SERVICES WERE $27,881,563

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

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

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 1,271,601,940

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		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	Yes	
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)*

			Yes	No
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	Yes	
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		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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	442			
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	9,333			
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	Yes	
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	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

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

Check if Schedule O contains a response 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	12			
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	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?			3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?			5		No
6	Did the organization have members or stockholders?			6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following					
a	The governing body?			8a	Yes	
b	Each committee with authority to act on behalf of the governing body?			8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			9		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	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	Yes	
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	Yes	

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
▶JACQUELINE GUILFOYLE CONTROLLER TJUH INC601 WALNUT ST
Phila,PA 191060000 (215) 503-8958

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) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations

		(D)	(E)	(F)
1b	**Sub-Total** ▶			
c	**Total from continuation sheets to Part VII, Section A** ▶			
d	**Total (add lines 1b and 1c)** ▶	9,156,286	4,299,123	2,111,510

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 ▶771

			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
Harmelin Associates, 525 Righters Ferry Road BALA CYNWYD PA 19004	Advertising Services	5,883,699
RECONSTRUCTIVE ORTHOPAEDIC ASSOCIAT, 925 CHESTNUT STREET SUITE 500 PHILADELPHIA PA 19107	MEDICAL SERVICES	5,447,378
ARAMARK CORPOATION, 24863 NETWORK PLACE CHICAGO IL 606731248	CLINICAL SUPPORT SER	4,755,053
PHYSICIAN DIALYSIS ACQUISITIONS IN, PO BOX 403008 ATLANTA GA 303843027	MEDICAL SERVICES	3,566,112
ON CALL PHYSICIAN STAFFING, 1555 BARDSEY DRIVE LOWER GWYNEDD PA 19002	STAFFING SERVICES	2,137,669

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 ▶104

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . 1a					
	b	Membership dues 1b					
	c	Fundraising events 1c					
	d	Related organizations . . . 1d					
	e	Government grants (contributions) 1e	843,922				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	1,300,660				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . ▶		2,144,582			
Program Service Revenue			Business Code				
	2a	Net Patient Service Revenue	622110	1,421,106,501	1,421,106,501		
	b	Biomedical Services	811000	13,566,899		13,566,899	
	c	Tissue Typing Services	621500	787,905		787,905	
	d	Clinical Lab Services	621500	439,758		439,758	
	e	All Other Program Services	622110	65,039,971	64,932,966	107,005	
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . ▶		1,500,941,034			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . ▶		9,672,775			9,672,775
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . ▶		0			
			(i) Real / (ii) Personal				
	6a	Gross rents	(i) 5,822,120 / (ii)				
	b	Less rental expenses	(i) 8,422,226 / (ii)				
	c	Rental income or (loss)	(i) -2,600,106 / (ii) 0				
	d	Net rental income or (loss) . . . . ▶		-2,600,106			-2,600,106
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	(i) 116,729,713 / (ii) 64,864				
	b	Less cost or other basis and sales expenses	(i) 112,693,846 / (ii)				
	c	Gain or (loss)	(i) 4,035,867 / (ii) 64,864				
	d	Net gain or (loss) . . . . ▶		4,100,731			4,100,731
	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 . . ▶		0			
	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 . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a	Loss on Interest Rate SWAP Contracts	900099	-4,211,667			-4,211,667
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . ▶		-4,211,667			
	12	**Total revenue.** See Instructions . . . . . ▶		1,510,047,349	1,486,039,467	14,901,567	6,961,733

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	10,259	10,259		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	75,000	75,000		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	6,514,471		6,514,471	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	1,375,189		1,375,189	
7 Other salaries and wages	473,738,100	424,226,720	49,202,404	308,976
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	28,121,830	25,662,722	2,445,407	13,701
9 Other employee benefits	78,481,768	70,808,438	7,611,804	61,526
10 Payroll taxes	34,433,230	30,525,759	3,887,492	19,979
11 Fees for services (non-employees)				
a Management	0			
b Legal	1,908,183		1,908,183	
c Accounting	336,000		336,000	
d Lobbying	533,876		533,876	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	114,706		114,706	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	3,748,749		3,748,749	
12 Advertising and promotion	9,156,941	9,156,941		
13 Office expenses	31,548,861	28,288,181	3,258,342	2,338
14 Information technology	0			
15 Royalties . .	0			
16 Occupancy	27,783,158	10,175,590	17,590,516	17,052
17 Travel	1,256,923	948,285	297,298	11,340
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	494,853	322,440	171,917	496
20 Interest	8,461,790	8,461,790		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	64,953,683	59,420,279	5,533,404	
23 Insurance	23,955,823	23,955,823		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Medical Supplies	270,021,405	270,021,405		
b Purchased Services	257,178,425	212,933,153	43,510,925	734,347
c M/A TAX ASSESS/MODERNIZATION	59,015,739	59,015,739		
d EQUIPMENT RENTAL & MAINT	57,798,312	24,512,472	33,278,854	6,986
e All other expenses	17,982,242	13,080,944	4,861,335	39,963
25 **Total functional expenses.** Add lines 1 through 24e	1,458,999,516	1,271,601,940	186,180,872	1,216,704
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			20,890,474	1	16,264,287
	2	Savings and temporary cash investments			236,680,556	2	187,954,461
	3	Pledges and grants receivable, net			890,615	3	639,515
	4	Accounts receivable, net			209,447,556	4	238,143,754
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			0	5	0
	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			0	6	0
	7	Notes and loans receivable, net			0	7	0
	8	Inventories for sale or use			25,786,059	8	29,029,465
	9	Prepaid expenses and deferred charges			10,292,434	9	10,973,142
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	1,269,132,841			
	b	Less accumulated depreciation	10b	741,755,639	516,087,666	10c	527,377,202
	11	Investments—publicly traded securities			166,296,046	11	162,528,623
	12	Investments—other securities See Part IV, line 11			136,094,371	12	186,995,209
	13	Investments—program-related See Part IV, line 11			2,910,880	13	70,088,307
	14	Intangible assets			11,337,619	14	11,337,619
	15	Other assets See Part IV, line 11			117,564,847	15	94,422,283
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)			1,454,279,123	16	1,535,753,867
Liabilities	17	Accounts payable and accrued expenses			235,814,350	17	240,566,499
	18	Grants payable			0	18	0
	19	Deferred revenue			262,142	19	252,132
	20	Tax-exempt bond liabilities			192,557,192	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D			0	21	0
	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			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			9,705,407	23	4,562,366
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			328,996,264	25	489,998,070
	26	**Total liabilities.** Add lines 17 through 25			767,335,355	26	735,379,067
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			642,619,426	27	755,070,022
	28	Temporarily restricted net assets			32,026,521	28	32,832,598
	29	Permanently restricted net assets			12,297,821	29	12,472,180
		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			686,943,768	33	800,374,800
	34	Total liabilities and net assets/fund balances			1,454,279,123	34	1,535,753,867

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	1,510,047,349
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,458,999,516
3	Revenue less expenses Subtract line 2 from line 1	3	51,047,833
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	686,943,768
5	Net unrealized gains (losses) on investments	5	7,636,318
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	54,746,881
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	800,374,800

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: 23-2829095
Name: Thomas Jefferson University Hospitals 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: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
ROBERT S ADELSON ESQ TRUSTEE	3 5 7 5	X								
JANICE R BELLACE ESQ TRUSTEE	4 5 8 5	X								
DAVID R BINSWANGER TRUSTEE	1 5 6 5	X								
IRA BRIND ESQ TRUSTEE	6 3 7 75	X								
RENEE B BOOTH PHD TRUSTEE	2 5 7 5	X								
THOMAS COSTELLO TRUSTEE	1 0 11 0	X								
ANTHONY J DIMARINO JR MD TRUSTEE	1 5 41 0	X						0	490,523	68,054
BRIAN G HARRISON TRUSTEE	1 0 6 0	X								
MICHAEL J HELLER ESQ TRUSTEE	1 5 11 0	X								
RICHARD W HEVNER CHAIRMAN	5 3 10 25	X								
HAROLD A HONICKMAN TRUSTEE	1 5 5 5	X								
HYMAN R KAHN MD TRUSTEE	2 5 10 5	X								
WILLIAM A LANDMAN TRUSTEE	4 0 8 0	X								
JOSEPHINE C MANDEVILLE TRUSTEE	2 5 5 5	X								
DAVID P MCQUAID RPh PRESIDENT & TRUSTEE TJUH, INC	40 0 20 0	X		X				1,094,734	0	322,643
THOMAS B MORRIS JR ESQ TRUSTEE	1 5 6 0	X								
RONALD J NAPLES TRUSTEE	1 5 11 0	X								
CHRISTINE WU MD TRUSTEE	1 5 6 5	X								
CHRISTOPHER J KNEIZYS TRUSTEE	1 0 11 0	X								
VIJAY M RAO MD TRUSTEE	1 5 51 0	X						0	654,025	63,115
CARO U ROCK VICE CHAIRMAN	2 0 7 0	X								
MARK L TYKOCINSKI MD TRUSTEE	1 5 45 5	X						0	981,677	117,720
ALEX WASILOV TRUSTEE	1 0 11 0	X								
R RICHARD WILLIAMS CHAIRMAN	3 8 12 25	X								
CHARLES J YEO MD FACS TRUSTEE	1 5 51 0	X						0	1,005,622	90,762

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
RICHARD C GOZON TRUSTEE	5 45 5	X						0	484,843	9,474
GEORGE E DEMING TRUSTEE	1 0 8 0	X								
KIRK GORMAN CFO JHS	5 0 10 0	X						0	0	0
STEPHEN K KLASKO MD PRES TJU/TJUH SYSTEM, TRUSTEE	5 0 50 0	X						0	682,433	506,222
TODD J ALBERT MD TRUSTEE	1 0 5	X								
CHERYL ATKINS-LUBINSKI TRUSTEE	1 0 6 0	X								
RICHARD T RILEY TRUSTEE	1 5 5 0	X								
MARK K ALDERMAN ESQ TRUSTEE	1 5 5 0	X								
JUDY L GENSHAFT PHD TRUSTEE	1 5 6 5	X								
BRITTON H MURDOCH TRUSTEE	1 5 11 5	X								
JOSEPH SEBASTIANELLI PRESIDENT & CEO JHS	1 5 1 5	X						0	0	0
NEIL G LUBARSKY SENIOR VP, CFO, ASST TREASURER	40 0 10 0			X				734,906	0	75,852
STEPHEN TRANQUILLO VP CHIEF INFORMATION OFFICER	40 0 0 0				X			428,879	0	55,009
JAMES E ROBINSON S VP & CAO-METHODIST HOSPITAL	40 0 3 0				X			344,383	0	54,949
MARY ANN FITZPATRICK S VP PATIENT SERVICES & CNO	40 0 0 0				X			354,084	0	56,487
REBECCA O'SHEA S VP CLINICAL	40 0 0 0				X			312,400	0	53,721
MONICA L YOUNG VP PERIOPERATIVE SERVICES	40 0 0 0				X			212,634	0	34,954
GEORGE T RIZZUTO THRU 813 VP CLINICAL & SUPPORT SERVICES	40 0 12 0				X			328,318	0	43,909
RICHARD J WEBSTER CHIEF OPERATING OFFICER	40 0 0 0				X			506,283	0	61,169
NANCY RHODES VP REVENUE CYCLE	40 0 0 0				X			262,216	0	49,004
ROBERT BURKHOLDER VP SUPPLY CHAIN MANAGEMENT	40 0 0 0				X			269,956	0	51,379
ANDREW NATHANS VP FINANCIAL OPERATIONS	40 0 0 0				X			244,987	0	53,315
SHARON MILLINGHAUSEN VP MED/CARDIAC/SPECIALTY SVCS	40 0 0 0				X			218,994	0	38,152
ELEANOR GATES VP SERVICE EXCELLENCE	40 0 0 0				X			208,499	0	42,475
ROBERT J DIECIDUE DMD CHAIRMAN ORAL SURGERY	40 0 0 0					X		571,123	0	56,198

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: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
STACEY MEADOWS S VP, GENERAL COUNSEL, ASST SEC	40 0 2 0					X		588,565	0	60,249
DANIEL I TAUB DDS MD VICE CHAIR ORAL SURGERY	40 0 0 0					X		486,289	0	51,863
PAMELA TEUFEL EXECUTIVE VP & CHIEF HRO	40 0 0 0					X		326,837	0	32,828
HUGH LAVERY S VP GOV'T EXTERNAL AFFAIRS	40 0 0 0					X		300,155	0	48,862
THOMAS J LEWIS III FMR PRES, CEO & TRUSTEE TJUH	0 0 0 0						X	891,181	0	13,145
RONALD P BURD FORMER EXEC VP STRATEGY & ORG	0 0 0 0						X	470,863	0	0

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
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493135057365

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

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

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

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

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

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

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

Name of the organization	Employer identification number
Thomas Jefferson University Hospitals Inc	23-2829095

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

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

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

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

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

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

	Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobbying expenditures to influence a legislative body (direct lobbying)		
c	Total lobbying expenditures (add lines 1a and 1b)		
d	Other exempt purpose expenditures		
e	Total exempt purpose expenditures (add lines 1c and 1d)		
f	Lobbying nontaxable amount Enter the amount from the following table in both columns		

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

	Calendar year (or fiscal year beginning in)	**(a)** 2010	**(b)** 2011	**(c)** 2012	**(d)** 2013	**(e)** Total
2a	Lobbying nontaxable amount					
b	Lobbying ceiling amount (150% of line 2a, column(e))					
c	Total lobbying expenditures					
d	Grassroots nontaxable amount					
e	Grassroots ceiling amount (150% of line 2d, column (e))					
f	Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		528,643
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		5,233
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			533,876
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

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

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
FORM 990, SCHEDULE C, PART II-B, LINE 1	THOMAS JEFFERSON UNIVERSITY HOSPITALS, INC (TJUH) PERIODICALLY ENGAGES IN LOBBYING ACTIVITIES INCLUDING DISCUSSIONS WITH POLICY MAKERS ON HEALTHCARE RELATED ISSUES IMPACTING TJUH AND THE PATIENTS AND COMMUNITIES IT SERVES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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*.

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Open to Public Inspection

Name of the organization	Employer identification number
Thomas Jefferson University Hospitals Inc	23-2829095

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

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

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

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

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

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

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

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

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

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

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

b Assets included in Form 990, Part X ▶ $

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

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

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

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

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

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

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

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

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

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

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . ☐

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

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	95,679,218	88,963,035	94,161,561	82,118,580	77,374,255
b	Contributions	161,027	174,129	404,977	68,339	184,301
c	Net investment earnings, gains, and losses	11,004,018	9,328,188	-2,788,358	15,185,235	6,604,458
d	Grants or scholarships					
e	Other expenditures for facilities and programs	4,025,323	2,786,134	2,815,145	3,210,593	2,044,434
f	Administrative expenses					
g	End of year balance	102,818,940	95,679,218	88,963,035	94,161,561	82,118,580

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

a Board designated or quasi-endowment ▶ 71 000 %

b Permanent endowment ▶ 8 000 %

c Temporarily restricted endowment ▶ 21 000 %

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		28,499,968		28,499,968
b Buildings		555,110,687	255,023,373	300,087,314
c Leasehold improvements		40,410,293	9,331,496	31,078,797
d Equipment		629,287,592	472,400,770	151,886,822
e Other		15,824,301	0	15,824,301
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				527,377,202

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		
(3) Other (A) CASH & CASH EQUIVALENTS	110,491,650	F
(B) HEDGE FUNDS	46,321,278	F
(C) PRIVATE EQUITY	21,901,148	F
(D) REAL ESTATE	8,281,133	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	186,995,209	

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) DUE FROM AFFILIATED FOUNDATION	8,561,440
(2) DEFERRED EXPENSE - CHILLER	2,759,475
(3) INSURANCE RECOVERABLE	83,101,368
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	94,422,283

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	0
ACCRUED PROFESSIONAL LIABILITY	190,297,864
ACCRUED PENSION LIABILITY	103,313,886
ACCRUED WORKERS' COMPENSATION	11,571,120
ASSET RETIREMENT OBLIGATION	1,890,259
INTEREST RATE SWAP LIABILITY	21,185,152
DUE TO TJU - NONCURRENT	16,732,088
DUE TO UNCONSOLIDATED SUBS	145,007,701
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	489,998,070

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
FORM 990, SCHEDULE D, PART V, LINE 4	TJUH'S ENDOWMENTS ARE USED IN A MANNER TO FURTHER THE CHARITABLE HEALTHCARE, EDUCATIONAL, AND RESEARCH MISSIONS OF TJUH

Part XIII Supplemental Information ***(continued)***

Return Reference	Explanation

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SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
► Attach to Form 990. ► See separate instructions.
► Information about Schedule F (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

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

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) Europe (Including Iceland and Greenland)			Investments		11,748,451
(2) East Asia and the Pacific			Investments		4,159,782
(3) South America			Investments		1,231,273
(4) North America			Investments		3,042,644
(5) Central America and the Caribbean			Investments		540,507
3a Sub-total					20,722,657
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)					20,722,657

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶

3 Enter total number of other organizations or entities . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	**(b)** Region	**(c)** Number of recipients	**(d)** Amount of cash grant	**(e)** Manner of cash disbursement	**(f)** Amount of non-cash assistance	**(g)** Description of non-cash assistance	**(h)** Method of valuation (book, FMV, appraisal, other)
(1) Nursing Scholarships						N/A	Book
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

1 Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes,"the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* ☐ Yes ☑ No

2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* ☐ Yes ☑ No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)* ☑ Yes ☐ No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* ☐ Yes ☑ No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)* ☐ Yes ☑ No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).* ☐ Yes ☑ No

Additional Data

Software ID:
Software Version:
EIN: 23-2829095
Name: Thomas Jefferson University Hospitals Inc

Part V **Supplemental Information**

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

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SCHEDULE H (Form 990)

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*.

Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other ______ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 500 %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			12,604,551		12,604,551	0 860 %
b Medicaid (from Worksheet 3, column a)			260,204,233	195,113,552	65,090,681	4 460 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			272,808,784	195,113,552	77,695,232	5 320 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,225,749	40,102	3,185,647	0 220 %
f Health professions education (from Worksheet 5)			127,317,875	105,149,638	22,168,237	1 520 %
g Subsidized health services (from Worksheet 6)			306,652,959	286,152,905	20,500,054	1 410 %
h Research (from Worksheet 7)			807,483	77,061	730,422	0 050 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2,410,942	300	2,410,642	0 170 %
j **Total.** Other Benefits			440,415,008	391,420,006	48,995,002	3 370 %
k **Total.** Add lines 7d and 7j			713,223,792	586,533,558	126,690,234	8 690 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy			1,054,798		1,054,798	0 070 %
8 Workforce development						
9 Other						
10 **Total**			1,054,798		1,054,798	0 070 %

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	60,053,048		
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	297,145,147
6	Enter Medicare allowable costs of care relating to payments on line 5	6	340,993,070
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-43,847,923

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

			Yes	No
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 Riverview Surgery	Healthcare	51 000 %		38 610 %
2 Bucks CTY Ortho HOSP	Healthcare	15 000 %		64 000 %
3 BUCKS CTY HOSP REAL	Healthcare	15 000 %		64 000 %
4 JEFF CONCUSS CENTER	Healthcare	32 500 %		33 600 %
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group Thomas Jefferson University Hospital

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

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

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 % 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 500 % 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		Yes	No
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)

		Yes	No
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

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 6A	TJUH DEFINES ITS GREATEST ACHIEVEMENTS BY THE CONTRIBUTIONS MADE TO THE COMMUNITY IT SERVES THESE CONTRIBUTIONS ARE SUMMARIZED ON THE TJUH INTERNET WEBSITE PART I, LINE 7G SUBSIDIZED HEALTH SERVICES INCLUDES EMERGENCY AND TRAUMA SERVICES

Form and Line Reference	Explanation
PART III, LINE 2	Bad debt expense is the uncollectible portion of the accounts receivable excluding contractual allowances The calculation is comprised of two parts one part representing the unpaid deductibles and copays for insured patients The other part represents the unpaid balance owed by uninsured patients PART III, LINE 4 Please see the Accounts Receivable, Allowance for Doubtful Accounts, Provision/Expense for Bad Debt footnote on page 10 of the attached pre-merger financial statements

Form and Line Reference	Explanation
PART III, LINE 8	Medicare is not treated as a community benefit The source data was generated from THE internal cost accounting system

Form and Line Reference	Explanation
PART III, LINE 9B	The collection policy of TJUH contains detailed guidelines for patients eligible for charity care This includes a process to determine patient eligibility for charity care prior to the provision of care or as soon as possible thereafter If it is determined that a patient qualifies for partial charity care, the policy requires that the patient and TJUH agree in writing as to the amount due after applying the appropriate charity care discount, and that TJUH negotiate and agree upon a reasonable payment schedule with the patient TJUH also evaluates the ongoing ability of the patient to pay the amount due before additional collection actions are taken

Form and Line Reference	Explanation
PART V, SECTION B, LINE 3	More than 60 interviews were conducted with individuals representing health care and community based organizations that have knowledge of the health and underlying social conditions that affect health of the people in their neighborhood and broader community These interviews were conducted by a qualitative public health researcher from TJUH's Center for Urban Health to gain insight about health needs and priorities barriers to improving community health, and the community assets and efforts already in place or being planned to address these issues and concerns Medical students from Refugee Health Partners, a student run clinic, assisted with interviews with organizations who assist the refugee community as part of the community needs assessment they are doing to inform their student run refugee clinic in South Philadelphia In addition, interviews were conducted with faculty and health providers from Methodist Hospital, Jefferson Hospital for Neuroscience and TJUH to gain their perspective about the health issues of their patients and community and to identify Jefferson's and other efforts to address these issues Interviewees were asked to prioritize the needs/recommendations discussed during their interview Interviews were conducted with representatives from the following organizations American Heart Association, SIDNEY KIMMEL Medical College -Department of Family and Community Family Medicine, American Diabetes Association, Philadelphia Department of Health, Philadelphia School District, United Communities Southeastern Philadelphia, Federation of Neighborhood Centers, Diversified Community Services, Nationalities Services Center, Pennsylvania Immigrant Care Coalition, Lutheran and Children's Services, YMCA, Maternity Care Coalition, Drexel School of Public Health-Center for Hunger Free Communities, Area Health Education Center, Philadelphia Business Health/Wellness Collaborative, Philadelphia Housing Authority, Restaurant Opportunities Center, Juntos, Health Promotion Council, SHARE, Urban Tree Connection, Council for Relationships, Food Trust, Cambodian Association, SEAMAAC, TJUH Emergency Medicine, Jefferson Hospital for Neuroscience TJUH Stroke Center, THOMAS JEFFERSON UNIVERSITY (TJU) Endocrinology (Diabetes Center), TJU JOGA clinic, TJU Cardiovascular Disease, Mazzoni Center, Pathways to Housing, Project HOME, SIDNEY KIMMEL Medical College-Department of Family and Community Medicine-Jefferson Family Medicine Associates-Refugee Health Clinic, SIDNEY KIMMEL Medical College-Department of Family and Community Medicine-Jefferson Family Medicine Associates-Older adults, TJU-School of Nursing, TJU-School of Pharmacy, Nemours -Pediatrics, TJUH's Human Resources, Workforce Development, TJUH's-Finance Dept -MA assistance, TJUH's-Nursing-Nurse Magnet, Methodist Hospital Jefferson Family Medicine Associates Department of Family and Community Medicine-Social Work, Philadelphia Health Initiative, Asian Chamber of Commerce of Greater Philadelphia, St Thomas Aquinas Church, Methodist community relations Subcommittee of the foundation, Migrant Education Philadelphia Burmese Baptist Church, Philadelphia Chin Baptist Church and HIAS Focus groups were conducted with TJUH's employees who live in the neighborhoods that are part of Jefferson's community This was done purposefully in order to raise awareness among TJUH's employee community about the health needs assessment and to engage them in future efforts to improve community health A list of employees who live in zip codes that make up the community benefit area was obtained from Human Resources Employees were randomly selected from each zip code and contacted about their interest in participating in the focus groups Four focus groups were held, one with employees from South Philadelphia, one with employees from Lower North Philadelphia east of Broad Street, one with employees from Lower North Philadelphia west of Broad Street and one with employees from Transitional Neighborhoods Thirty-five employees participated Focus groups were conducted by qualitative public health researchers from both TJU'S School of Population Health and TJUH's Center for Urban Health Focus group questions were designed to elicit the major health and social concerns of the neighborhood and larger community, barriers to accessing health and social services and improving lifestyles, perceptions about existing and/or potential interventions to address community health improvement, and what specifically Jefferson could do to improve the health of the community Each focus group was asked to prioritize the needs/recommendations identified during the focus group discussion PART V, SECTION B, LINE 6A AS PROVIDED IN THE TREASURY REGULATIONS ISSUED APRIL 5, 2013, TJUH'S IMPLEMENTATION STRATEGY ADDRESSES THE SIGNIFICANT HEALTH NEEDS IDENTIFIED THROUGH ITS CHNA TJUH'S IMPLEMENTATION PLAN IS AVAILABLE AT HTTP //HOSPITALS JEFFERSON EDU/ABOUT-US/IN-THE-COMMUNITY/

Form and Line Reference	Explanation
PART V, SECTION B, LINE 7	ADDRESSING ALL OF THE HEALTH NEEDS PRESENT IN A LARGE COMMUNITY WILL REQUIRE RESOURCES BEYOND WHAT ANY SINGLE HOSPITAL OR SOCIAL SERVICE AGENCY CAN BRING TO BEAR THE HOSPITAL IS COMMITTED TO FULFILLING ITS MISSION AS WELL AS REMAINING FINANCIALLY VIABLE SO THAT IT CAN CONTINUE ITS COMMITMENT TO EXCELLENCE IN QUALITY CARE AND PROVIDE A WIDE RANGE OF COMMUNITY BENEFITS The Hospital identified the health needs and prioritized the needs as is required Health needs identified but adequately addressed by other entities and initiatives, such as HIV are not being addressed to reduce duplication of unnecessary service During this fiscal year all prioritized initiatives were initiated The needs that were identified as most important were addressed initially and are on target, however, not surprisingly some initiatives have moved more quickly due to alignment with other organizations and timeliness such as healthcare enrollment Community benefit initiatives have been tied to the strategic plan of the hospital and the local Health Department Activities underway address social determinants of health (for example, food security, workforce development, literacy), chronic disease prevention (screening and education outreach), access to care (health insurance enrollment, health literacy, emergency room utilization, language line access), and coordinating with citywide efforts to improve healthy lifestyle behaviors and community environment (Philadelphia Department of Health initiatives, Aging in Place, housing, workforce development interventions to improve health among low resourced workers) In addition we have developed partnerships with non-traditional organizations addressing social determinants of health such as community development corporations BETWEEN 2015 AND 2016, THE HOSPITAL WILL FOCUS ITS EFFORTS IN ORDER TO MAKE A TRUE AND MEASURABLE IMPACT, AND THUS PLANS TO IMPLEMENT ACTIONS THAT WILL ADDRESS THOSE NEEDS IDENTIFIED THROUGH THE COMMUNITY HEALTH NEEDS ASSESSMENT AS MOST IMPORTANT THE HOSPITAL WILL CONTINUE TO EVALUATE OPPORTUNITIES FOR FUNDING OR RESOURCES TO COMMIT TO ADDRESSING THE REMAINING NEEDS THE PRIORITY HEALTH ISSUES RELATED TO THE HOSPITAL'S INTERNAL ORGANIZATIONAL STRUCTURE, INCLUDING WORKFORCE DEVELOPMENT AND DIVERSITY, FALL OUTSIDE THE SCOPE OF THE HOSPITAL'S COMMUNITY BENEFIT PROGRAM, AND THE CHNA RECOMMENDATIONS RELATED TO INTERNAL ORGANIZATIONAL STRUCTURE WILL BE REVIEWED BY HOSPITAL AND UNIVERSITY SENIOR LEADERSHIP

Form and Line Reference	Explanation
PART VI, LINE 2 (NEEDS ASSESSMENT)	Please see TJUH's Community Health Needs Assessment, available at HTTP //HOSPITALS JEFFERSON EDU/ABOUT-US/IN-THE-COMMUNITY/, for an explanation of how TJUH assesses the health needs of the community it serves

Form and Line Reference	Explanation
PART VI, LINE 3 (PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE)	TJUH informs and educates people through signage, its website, brochures statement messages, and the PATHS Program, a vendor-supported service which assists patients with enrollment in the Medical Assistance program

Form and Line Reference	Explanation
PART VI, LINE 4 (COMMUNITY INFORMATION)	Please see TJUH's Community Health Needs Assessment, available at HTTP //HOSPITALS JEFFERSON EDU/ABOUT-US/IN-THE-COMMUNITY/, for a description of the community TJUH serves

Form and Line Reference	Explanation
PART VI, LINE 5 (PROMOTION OF COMMUNITY HEALTH)	TJUH's community buiding activities are focused on providing opportunities for youth to explore careers in healthcare through health awareness education, mentoring, and internships Additionally, Jefferson staff play leadership roles in the community building organizations such as those devoted to assisting older adults and creating career opportunities for youth The hospital also donates funds to many organizations that provide social and community enhancement services in our target communities

Form and Line Reference	Explanation
PART VI, LINE 6 (AFFILIATED HEALTH CARE SYSTEM)	TJUH is a wholly owned subsidiary of TJUH System and is a tax exempt organization that promotes the health of the communities it serves in southeastern Pennsylvania, southern New Jersey, and Delaware primarily by providing hospital, sub acute, outpatient, and physician services and by providing facilities in which students, physicians, nurses, and other health care professionals are trained in a clinical setting The operations of TJUH include Thomas Jefferson University Hospital, the Jefferson Hospital for Neuroscience, and Methodist Hospital, all of which operate under one license number The hospitals of TJUH provide a full range of healthcare services and provide training to students and health professionals in a clinical setting TJUH also provides community health services such as health education, counseling and support services A substantial amount of the services and the education provided by TJUH is provided at no charge or in return for reimbursement below cost

Form and Line Reference	Explanation
PART VI, LINE 7 (COMMUNITY BENEFIT REPORT)	TJUH DOES NOT FILE A COMMUNITY BENEFIT REPORT AT THE STATE LEVEL

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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
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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) THOMAS JEFFERSON UNIVERSITY 1020 WALNUT STREET PHILADELPHIA, PA 19107	23-1352651	501(C)(3)	10,259				SUPPORT FOR HOSPITAL PROGRAMS

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

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
(1) Nursing scholarships	2	75,000		Book	N/A

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
FORM 990, SCHEDULE I, PART I, LINE 2	ACTUAL EXPENDITURES FOR ALL APPROVED GRANTS ARE MONITORED AGAINST BUDGETED EXPENDITURES ON A MONTHLY BASIS ANY DISCREPANCIES ARE RESEARCHED AND resolved ACCORDINGLY

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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
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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

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
FORM 990, SCHEDULE J, PART I, LINE 4A - SEVERANCE PAYMENTS	THOMAS J LEWIS III $891,181 RONALD P BURD 470,863 GEORGE T RIZZUTO 88,775 SCHEDULE J, PART I, LINE 4B - SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN DAVID P MCQUAID $261,834 MARK L TYKOCINSKI 62,622 NEIL G LUBARSKY 19,761 RICHARD J WEBSTER 12,816 STACEY MEADOWS 5,580 SCHEDULE J, PART I, LINE 7 - NON-FIXED PAYMENTS A PORTION OF THE COMPENSATION FOR OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES, AND THE FIVE HIGHEST COMPENSATED EMPLOYEES INCLUDES COMPENSATION that IS BASED ON THE ATTAINMENT OF PATIENT CARE, QUALITY GOALS, STRATEGIC OPERATIONAL INITIATIVES, AND FINANCIAL PERFORMANCE SCHEDULE J, PART I, LINE 8 - INITIAL CONTRACT EXCEPTION The fixed portion of compensation paid to Stephen Klasko is subject to the initial contract exception described in Treasury Regulations section 53 4958-4(a)(3)

Additional Data

Software ID:
Software Version:
EIN: 23-2829095
Name: Thomas Jefferson University Hospitals 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 (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation	(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
ANTHONY J DIMARINO JR MD TRUSTEE	(i) (ii)	0 447,523	0 43,000	0 0	0 49,802	0 18,252	0 558,577	0 0
THOMAS J LEWIS III FMR PRES, CEO & TRUSTEE TJUH	(i) (ii)	0 0	0 0	891,181 0	0 0	13,145 0	904,326 0	0 0
DAVID P MCQUAID RPh PRESIDENT & TRUSTEE TJUH, INC	(i) (ii)	784,917 0	226,800 0	83,017 0	294,984 0	27,659 0	1,417,377 0	40,801 0
NEIL G LUBARSKY SENIOR VP, CFO, ASST TREASURER	(i) (ii)	427,228 0	249,893 0	57,785 0	52,911 0	22,941 0	810,758 0	26,073 0
RONALD P BURD FORMER EXEC VP STRATEGY & ORG	(i) (ii)	0 0	0 0	470,863 0	0 0	0 0	470,863 0	0 0
ROBERT J DIECIDUE DMD CHAIRMAN ORAL SURGERY	(i) (ii)	417,245 0	148,911 0	4,967 0	33,150 0	23,048 0	627,321 0	0 0
STACEY MEADOWS S VP,GENERAL COUNSEL,ASST SEC	(i) (ii)	344,718 0	197,405 0	46,442 0	38,730 0	21,519 0	648,814 0	10,441 0
DANIEL I TAUB DDS MD VICE CHAIR ORAL SURGERY	(i) (ii)	311,340 0	174,236 0	713 0	28,050 0	23,813 0	538,152 0	0 0
STEPHEN TRANQUILLO VP CHIEF INFORMATION OFFICER	(i) (ii)	307,426 0	63,154 0	58,299 0	33,150 0	21,859 0	483,888 0	2,551 0
JAMES E ROBINSON S VP & CAO-METHODIST HOSPITAL	(i) (ii)	268,370 0	45,714 0	30,299 0	33,150 0	21,799 0	399,332 0	0 0
MARY ANN FITZPATRICK S VP PATIENT SERVICES & CNO	(i) (ii)	275,542 0	56,976 0	21,566 0	33,150 0	23,337 0	410,571 0	1,088 0
REBECCA O'SHEA S VP CLINICAL	(i) (ii)	248,913 0	51,525 0	11,962 0	33,150 0	20,571 0	366,121 0	0 0
MONICA L YOUNG VP PERIOPERATIVE SERVICES	(i) (ii)	186,829 0	25,805 0	0 0	27,863 0	7,091 0	247,588 0	0 0
GEORGE T RIZZUTO THRU 813 VP CLINICAL & SUPPORT SERVICES	(i) (ii)	168,946 0	34,155 0	125,217 0	22,940 0	20,969 0	372,227 0	0 0
RICHARD J WEBSTER CHIEF OPERATING OFFICER	(i) (ii)	410,948 0	75,753 0	19,582 0	45,966 0	15,203 0	567,452 0	0 0
NANCY RHODES VP REVENUE CYCLE	(i) (ii)	221,547 0	37,526 0	3,143 0	33,150 0	15,854 0	311,220 0	0 0
PAMELA TEUFEL EXECUTIVE VP & CHIEF HRO	(i) (ii)	264,744 0	55,275 0	6,818 0	9,640 0	23,188 0	359,665 0	0 0
ROBERT BURKHOLDER VP SUPPLY CHAIN MANAGEMENT	(i) (ii)	195,029 0	59,144 0	15,783 0	30,060 0	21,319 0	321,335 0	0 0
ANDREW NATHANS VP FINANCIAL OPERATIONS	(i) (ii)	188,587 0	28,502 0	27,898 0	29,595 0	23,720 0	298,302 0	0 0
SHARON MILLINGHAUSEN VP MED/CARDIAC/SPECIALTY SVCS	(i) (ii)	189,024 0	25,863 0	4,107 0	28,608 0	9,544 0	257,146 0	0 0

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				
ELEANOR GATES VP SERVICE EXCELLENCE	(i)	183,409	24,991	99	27,643	14,832	250,974	0
	(ii)	0	0	0	0	0	0	0
VIJAY M RAO MD TRUSTEE	(i)	0	0	0	0	0	0	0
	(ii)	552,403	81,818	19,804	54,516	8,599	717,140	0
MARK L TYKOCINSKI MD TRUSTEE	(i)	0	0	0	0	0	0	0
	(ii)	667,695	205,914	108,068	94,196	23,524	1,099,397	0
CHARLES J YEO MD FACS TRUSTEE	(i)	0	0	0	0	0	0	0
	(ii)	893,132	85,000	27,490	57,192	33,570	1,096,384	0
RICHARD C GOZON TRUSTEE	(i)	0	0	0	0	0	0	0
	(ii)	359,843	125,000	0	9,000	474	494,317	0
STEPHEN K KLASKO MD PRES TJU/TJUH SYSTEM, TRUSTEE	(i)	0	0	0	0	0	0	0
	(ii)	326,444	200,000	155,989	500,000	6,222	1,188,655	0
HUGH LAVERY S VP GOV'T EXTERNAL AFFAIRS	(i)	232,745	47,617	19,793	28,050	20,812	349,017	0
	(ii)	0	0	0	0	0	0	0

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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	Employer identification number
Thomas Jefferson University Hospitals Inc	23-2829095

Return Reference	Explanation
FORM 990, PART VI, LINE 2	THE FOLLOWING TRUSTEES HAVE BUSINESS RELATIONSHIPS, NOT INVOLVING ANY TRANSACTIONS WITH TJUH ROBERT ADELSON, WILLIAM LANDMAN, AND IRA BRIND MICHAEL HELLER AND MARK ALDERMAN MICHAEL HELLER AND DAVID BINSWANGER MICHAEL HELLER AND WILLIAM LANDMAN CHRISTOPHER KNEIZYS AND RICHARD RILEY R RICHARD WILLIAMS AND IRA BRIND R RICHARD WILLIAMS AND WILLIAM LANDMAN FORM 990, PART VI, LINE 4 On June 30, 2014, TJUH System separated from Jefferson Health System and affiliated with TJU to form a new affiliated group, hereafter referred to as the University, to enhance their tripartite mission of education, research and patient care All TJUH System trustees joined the TJU board of trustees TJU became the sole member of TJUH System, and TJUH System became the sole member of Jefferson University Physicians

Return Reference	Explanation
FORM 990, PART VI, LINES 6 & 7	TJUH SYSTEM IS THE SOLE MEMBER OF TJUH THE BOARD OF TRUSTEES OF TJUH SHALL BE THOSE PERSONS WHO SERVE FROM TIME TO TIME ON THE TJUH SYSTEM BOARD TJUH SYSTEM RECOMMENDS INDIVIDUALS FOR APPOINTMENT TO ITS BOARD OF TRUSTEES TO ITS SOLE MEMBER, TJU TJU ELECTS MEMBERS TO THE TJUH SYSTEM BOARD OF TRUSTEES WHO AUTOMATICALLY BECOME MEMBERS OF THE TJUH BOARD OF TRUSTEES FOR RESOLUTION

Return Reference	Explanation
FORM 990, PART VI, LINE 11B	THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM IN CONJUNCTION WITH TJUH FINANCE PERSONNEL AND IS REVIEWED INTERNALLY BY MANAGEMENT OF TJUH IT IS THEN PRESENTED TO THE AUDIT AND COMPLIANCE COMMITTEE OF THE BOARD OF TRUSTEES FOR REVIEW AND FINAL APPROVAL BEFORE FILING FORM 990, PART VI, LINE 12C ANNUAL CONFLICT OF INTEREST STATEMENTS ARE COMPLETED BY THE BOARD OF TRUSTEES, SENIOR MANAGEMENT, AND KEY REPRESENTATIVES OF TJUH ALL CONFLICTS ARE REFERRED TO THE CORPORATE COMPLIANCE OFFICER FOR RESOLUTION THE CHAIRMAN OF THE BOARD AND THE PRESIDENT OF TJUH ARE RESPONSIBLE FOR MONITORING THE CONDUCT OF AND DISCLOSURE BY KEY REPRESENTATIVES AND THEY IDENTIFY, ADDRESS, AND/OR RESOLVE ACTUAL OR POTENTIAL CONFLICTS IN CONSULTATION WITH LEGAL COUNSEL AND/OR THE CORPORATE COMPLIANCE OFFICER IF DEEMED NECESSARY OR ADVISABLE, INDIVIDUAL CASES MAY BE REFERRED TO THE FULL BOARD OR A COMMITTEE THEREOF FOR RESOLUTION

Return Reference	Explanation
FORM 990, PART VI, LINE 15	The process for determining compensation of the officers and key employees of TJUH uses several external market survey data providers such as Mercer Sullivan Cotter, and Olney Associates The salaries in the surveys are anonymous and contain several other participating organizations in healthcare The TJU Board hires and determines the base and incentive compensation for the President of TJUH (In his role as President for TJUH System) While presidents are not officers or employees of the TJU legal entity itself, they do report to the TJU CEO TJUH formulates market data sheets by sharing the 25th, 50th, and 75th percentiles For compensation, TJUH targets the 50th percentile of the market However lower and higher percentiles may be used depending upon a candidate's depth of experience TJUH also targets organizations such as teaching hospitals, those from northeastern U S A , and those with revenue greater than one billion dollars as a gauge for determining compensation ranges

Return Reference	Explanation
FORM 990, PART VI, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST FORM 990, PART VII, SECTION B - INDEPENDENT CONTRACTORS TJUH and TJU have maintained a close academic affiliation Services provided by TJU to TJUH include physician and non-physician personnel and other support services necessary to preserve and maintain the tertiary care capacity of TJUH TJU also provides office and clinical space, as well as administrative, finance, human resources, information technology, maintenance, security, education, temporary staffing and other ancillary services to TJUH Expenses charged for these services aggregated $221,560,000 for the year ended June 30, 2014 Form 990, Part XI, Line 9 - Other Changes in Net Assets or Fund Balances INCREASE IN PENSION LIABILITY (22,642,985) CHANGE IN NONCONTROLLING INTEREST IN JOINT VENTURE 204,269 TEMPORARILY RESTRICTED UNREALIZED GAINS 2,490,037 CHANGE IN ASSETS HELD BY AFFILIATED FOUNDATION 774,353 DONATED CAPITAL RECEIVED 2,634,527 NET ASSETS RELEASED FROM RESTRICTION - PURCHSE OF P,P&E - UNRESTRICTED 250,636 NET ASSETS RELEASED FROM RESTRICTION - PURCHASE OF P,P&E - TEMPORARILY RESTRICTED (260,636) PERM RESTRICTED UNREALIZED GAIN ON EXTERNALLY HELD TRUSTS 174,360 INVESTMENT IN FIVE POINTE (POST MERGER) 66,122,320 RECEIVABLE FROM ORIGINAL JHS CONTRIBUTION (POST MERGER) 5,000,000 ------------- TOTAL $ 54,746,881 =============

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
Thomas Jefferson University Hospitals Inc

Employer identification number
23-2829095

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	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
(1) Riverview Surg LP Three Crescent Dr Navy Yard Philadelphia, PA 191120000 26-3910345	Healthcare	PA	TJUH Inc	RELATED	2,957,179	3,834,486		No			No	50 490 %
(2) Riverview Surg LLC Three Crescent Dr Navy Yard Philadelphia, PA 191120000 26-3911509	Healthcare	PA	TJUH INC	RELATED	29,871	38,732		No			No	51 000 %
(3) 1100 WALNUT ASSOC 1020 WALNUT STREET PHILADELPHIA, PA 19107 23-2332396	MEDICAL OFFICE	PA	NA	N/A								
(4) JEFF UNIV RADIOLOGY 840 CRESCENT CENTRE DR FRANKLIN, TN 37067 41-2043518	HEALTHCARE	PA	TJUH JUP	RELATED	1,393,270	4,245,031		No	0	Yes		40 000 %
(5) JEFFERSON COMP CONCUSSION CTR 4050 S 26TH STREET PHILADELPHIA, PA 19122 46-4254983	HEALTHCARE	PA	TJUH JUP	RELATED	0	427,926		No	0		No	32 500 %

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
See Additional Data Table									

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

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

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

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
SCHEDULE R, PART III, LINES 4 AND 5	DUE TO ITS SHARED DIRECT CONTROLLING ENTITY, TJUH SYSTEM, THOMAS JEFFERSON UNIVERSITY HOSPITALS, INC (TJUH) IS DEEMED TO OWN BOTH ITS INDIVIDUAL INTERESTS IN JEFFERSON RADIOLOGY ASSOCIATES AND JEFFERSON COMPREHENSIVE CONCUSSION CENTER, AS WELL AS THOSE OF ITS BROTHER/SISTER ENTITY, JEFFERSON UNIVERSITY PHYSICIANS (JUP) WHILE NEITHER JUP NOR TJUH HAVE AN INDIVIDUAL CONTROLLING INTEREST IN JEFFERSON RADIOLOGY ASSOCIATES OR JEFFERSON COMPREHENSIVE CONCUSSION CENTER, THEIR COLLECTIVE OWNERSHIP CONSTITUTES A CONTROLLING INTEREST IN BOTH PARTNERSHIPS

Additional Data

Software ID:
Software Version:
EIN: 23-2829095
Name: Thomas Jefferson University Hospitals 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) TJUH System Inc 111 South 11th Street Philadelphia, PA 19107 26-3026795	Healthcare	PA	501 (c)(3)	11, II	TJU	Yes	
(1) Emergency Transport Associates Inc 441 North 5TH Street Philadelphia, PA 19107 23-2622004	Healthcare	PA	501 (c)(3)	9	TJUH System	Yes	
(2) Jeffex Inc 925 Chestnut Street Suite 311 Philadelphia, PA 19107 23-2622009	Healthcare	PA	501 (c)(3)	11, I	TJUH System	Yes	
(3) Walnut Home Therapeutics Inc 919 Walnut Street 5th Floor Philadelphia, PA 19107 23-2622006	Healthcare	PA	501 (c)(3)	9	TJUH System	Yes	
(4) Suthbreit Properties LTD 2301 South Broad Street Philadelphia, PA 19148 23-2214351	Healthcare	PA	501 (c)(2)		TJUH System	Yes	
(5) TJUH Health Affiliates 111 South 11th Street Philadelphia, PA 19107 23-3026939	Healthcare	PA	501 (c)(3)	11, II	TJUH System	Yes	
(6) Methodist Associates in Healthcare Inc 2301 South Broad Street Philadelphia, PA 19148 23-2678055	Healthcare	PA	501 (c)(3)	11, I	TJUH System	Yes	
(7) Jefferson Medical Care PC 111 South 11th Street Philadelphia, PA 19107 23-3537847	Healthcare	PA	501 (c)(3)	11, I	TJUH System	Yes	
(8) Jefferson Medical Care 111 South 11th Street Philadelphia, PA 19107 23-2858320	Healthcare	PA	501 (c)(3)	11, I	TJUH System	Yes	
(9) Methodist Hospital Foundation 2301 South Broad Street Philadelphia, PA 19148 23-2014559	Fund Raising	PA	501 (c)(3)	11, I	NA		No
(10) JEFFQUIP INC 12 CREEK PARKWAY BOOTHWYN, PA 19061 23-2622001	HEALTHCARE	PA	501(C)(3)	9	TJUH SYSTEM	Yes	
(11) JEFFERSON UNIVERSITY PHYSICIANS 1025 WALNUT STREET PHILADELPHIA, PA 19107 23-2809585	CLINICAL CARE	PA	501(C)(3)	11, I	TJUH SYSTEM	Yes	
(12) THOMAS JEFFERSON UNIVERSITY 1020 WALNUT ST 5TH FL PHILADELPHIA, PA 19107 23-1352651	EDUCATION	PA	501(C)(3)	2	NA		No

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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) Section 512(b)(13) controlled entity? No
Jeffcare Inc 211 S 9th St Walnut Towers Ste Philadelphia, PA 19107 23-2830152	Healthcare	PA	TJUH Inc	C Corporation	-119,108	50,548	100 000 %	Yes	
The Atrium Corporation 925 Chestnut Street Suite 311 Philadelphia, PA 19107 23-2075587	Healthcare	PA	NA	C Corporation				Yes	
Healthmark Inc 2301 South Broad Street Philadelphia, PA 19148 23-2259593	Healthcare	PA	NA	C Corporation				Yes	
Mid-Atlantic Maternal Fetal Institute 925 Chestnut Street Suite 311 Philadelphia, PA 19107 23-2922471	Healthcare	PA	NA	C Corporation				Yes	
Mid-Atlantic Maternal Fetal InstitutePC 925 Chestnut Street Suite 311 Philadelphia, PA 19107 22-3536371	Healthcare	PA	NA	C Corporation				Yes	
Externally Administered Trusts			NA						No
WALNUT REALTY 1020 WALNUT ST 5TH FL PHILADELPHIA, PA 19107 23-2332416	REAL ESTATE	PA	NA	C CORPORATION				Yes	
TJU INC 1020 WALNUT ST 5TH FL PHILADELPHIA, PA 19107 23-2146678	REAL ESTATE	PA	NA	C CORPORATION				Yes	

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
Emergency Transport Associates Inc	Q , S	2,914,186	COST
Walnut Home Therapeutics Inc	Q , S	2,040,561	COST
Suthbreit Properties LTD	S	295,298	COST
Jefferson Medical Care	Q , S	1,927,064	COST
JEFFEX INC	Q	385,190	COST
Jefferson University Physicians	B, J,	122,451,716	COST
METHODIST ASSOCIATES IN HEALTHCARE	S	1,831,035	COST
Atrium Corporation	S	3,544,583	COST
Healthmark Inc	S	1,340,909	COST

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Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2013

Attachment Sequence No **179**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
Thomas Jefferson University Hospitals Inc	GENERAL DEPRECIATION	23-2829095

Part I Election To Expense Certain Property Under Section 179
Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	$ 2,600,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2014 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property **)** (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	581,439
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.**)** (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions.)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	581,439
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)
Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☑ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☑ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		

28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 . . . **28**

29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 . . . . **29**

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles) . .												
31 Total commuting miles driven during the year .												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use? .												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . .		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2013 tax year (see instructions)					

43 Amortization of costs that began before your 2013 tax year **43**

44 Total. Add amounts in column (f) See the instructions for where to report **44**

Thomas Jefferson University (Post-merger)

Consolidated Balance Sheet
June 30, 2014

Thomas Jefferson University (Post-merger)
Table of Contents
June 30, 2014

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Independent Auditor's Report

To the Board of Trustees
Thomas Jefferson University:

We have audited the accompanying consolidated balance sheet of Thomas Jefferson University (TJU) post-merger as of June 30, 2014.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated balance sheet 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 balance sheet that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in the 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 balance sheet is 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 our judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to TJU'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 TJU'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 significant and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the financial position of the TJU at June 30, 2014 in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

September 23, 2014

PricewaterhouseCoopers LLP, Two Commerce Square, Suite 1700, 2001 Market Street, Philadelphia, PA 19103-7042
T: (267) 330-3000, F: (267) 330-3300, www.pwc.com/us

Thomas Jefferson University (Post-merger)
Consolidated Balance Sheet
June 30, 2014
(in thousands)

Assets	**June 30, 2014**
Current assets	
Cash and cash equivalents	$97,761
Short-term investments	291,036
Accounts receivable, less allowance for doubtful accounts of $40,417	294,423
Inventory	31,510
Pledge receivables	16,757
Assets whose use is limited, current	40,583
Other current assets	17,648
Total current assets	789,718
Long-term investments	809,774
Assets whose use is limited, noncurrent	111,254
Assets held by affiliated foundation	8,561
Pledge receivables	75,887
Goodwill, net	11,418
Insurance recoverable	118,044
Loans receivable from students, net	26,480
Land, buildings and equipment, net	912,585
Other noncurrent assets	13,790
Total assets	$2,877,511
Liabilities and Net Assets	
Current liabilities	
Current portion of	
Long-term obligations	$10,142
Accrued professional liability claims	24,230
Accrued workers' compensation claims	7,484
Deferred revenues	10,636
Accounts payable and accrued expenses	181,893
Accrued payroll and related costs	124,554
Grant and contract advances	15,563
Notes payable	352,805
Other liabilities	7,029
Total current liabilities	734,336
Long-term obligations	262,831
Accrued pension liability	132,715
Federal student loan advances	18,114
Deferred revenues	8,873
Accrued professional liability claims	287,840
Accrued workers' compensation claims	12,974
Interest rate swap contracts	28,574
Other noncurrent liabilities	4,881
Total liabilities	1,491,139
Net assets	
Unrestricted	959,233
Unrestricted net assets related to noncontrolling interests	3,855
Temporarily restricted	219,950
Permanently restricted	203,334
Total net assets	1,386,372
Total liabilities and net assets	$2,877,511

The accompanying notes are an integral part of the consolidated balance sheet

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Organization
Thomas Jefferson University ("TJU") is an independent, non-profit corporation organized under the laws of the Commonwealth of Pennsylvania and recognized as a tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code (the "Code"). It conducts research and offers undergraduate and graduate instruction through the Sidney Kimmel Medical College, and the Jefferson Schools of Nursing, Pharmacy, Health Professions, Population Health, and Graduate Biomedical Sciences. The University has approximately 3,600 students and is located in Philadelphia, Pennsylvania.

The University also includes Jefferson University Physicians ("JUP"). JUP is a non-profit corporation organized under the laws of the Commonwealth of Pennsylvania and is recognized as a tax-exempt organization pursuant to Section 501(c)(3) of the Code. It consists of 17 clinical departments with approximately 647 physician members. JUP was formed to allow faculty of the University to conduct clinical practices while supporting the educational and research activities of the University. It acts as an integrated multi-specialty group practice with net patient service revenue less provision for bad debt for years 2014 and 2013 of approximately $279.3 million and $265.8 million, respectively.

On June 30, 2014 TJUH System, Inc. ("TJUH") separated from Jefferson Health System ("JHS") and merged with TJU to form a new organization, hereafter referred to as the University, and to enhance their tripartite mission of education, research and patient care. On June 30, 2014, the University became the sole coporate member of TJUH and TJUH became the sole member of JUP, thereby aggregating all clinical operations of the merged entities into one organization. This transaction was accounted for as a merger. TJUH, located in Philadelphia, Pennsylvania, is an integrated healthcare organization that provides inpatient, outpatient, and emergency care services through acute care, ambulatory care, physician, and other primary care services for residents of the Greater Philadelphia Region.

Subsequent to the merger on June 30, 2014 the consolidated balance sheet of the University includes the accounts and subsidiaries of the University, 1100 Walnut Associates and TJUH. The accounts and subsidiaries of TJUH include Thomas Jefferson University Hospital, the Jefferson Hospital for Neuroscience Division, the Methodist Hospital Division, JUP, TJUH Health Affiliates, the Atrium Corporation, Jeffex, Inc., JeffCare, Riverview Surgery Center at the Navy Yard, LP (a 51% owned joint venture), Jefferson University Radiology Associates (an 80% owned joint venture) and Jefferson Comprehensive Concussion Center (a 66% owned joint venture).

Principle of Consolidation
The accompanying consolidated balance sheet of the University contains the financial position of the University as of June 30, 2014 subsequent to the merger. All significant intercompany accounts and transactions have been eliminated.

Financial Statement Presentation
The accompanying consolidated financial statement has been prepared on an accrual basis.

The University classifies net assets as 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 board designation.

Temporarily Restricted Net Assets are subject to legal or donor imposed restrictions that will be met by actions of the University and/or the passage of time. These net assets include gifts donated for specific purposes and capital appreciation on permanent endowment, which is restricted by Pennsylvania law on the amounts that may be expended in a given year.

Permanently Restricted Net Assets are subject to donor-imposed restrictions that require the original contribution be maintained in perpetuity by the University, but permits the use of the investment earnings for general or specific purposes.

Use of Estimates
The preparation of a financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Management considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of the financial statements including, but not limited to, recognition of estimates for healthcare professional and general liabilities; determination of fair values of certain financial instruments; and assumptions for measurement of pension obligations. Management relies on historical experience and other assumptions believed to be reasonable relative to the circumstances in making judgments and estimates. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and cash equivalents consist of cash and investments in highly liquid debt instruments with maturity of three months or less when purchased and are carried at cost, which approximates fair value, except that any such investments purchased with funds on deposit with bond trustees or with funds held in self-insurance trust arrangements are classified as assets whose use is limited or purchased by investment managers of the University's pooled investment fund are classified as investments.

Short-term investments
Short-term investments are comprised of debt instruments with maturities greater than three months when purchased.

Non Controlling Interest

Both TJU and TJUH had investments in certain companies that were accounted for under the equity method of accounting. These investments now qualify for consolidation since the University owns a controlling interest. The amount not owned by the University is shown as a non controlling interest.

Accounts Receivable, Allowance for Doubtful Accounts, Provision for Bad Debt

The University records an allowance for doubtful accounts and bad debt expense for estimated losses resulting from non-payment for accounts receivable for services from patients. The University accounts for uncollectible accounts receivable balances from third-party commercial insurers as reductions to net patient service revenue rather than bad debt expense. Management routinely evaluates account collection history, economic conditions, and trends in health care coverage in determining the sufficiency of the allowance for doubtful accounts and provision for bad debts. Accounts receivable are written off against the allowance for doubtful accounts when management determines that recovery is unlikely and collection efforts cease.

Contributions

Contributions, including unconditional promises to donate, cash and other assets, are recognized at fair value on the date of receipt, recognized as revenue in the period received and are reported as increases in the appropriate net asset category based on donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges received which are to be paid in future periods, and contributions restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a time restriction ends or stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Contributions of cash restricted by the donor for the purchase of long-lived assets implies a time restriction on the use of such contributed assets that expires over the assets' expected useful lives. Accordingly, the contributions received are reported as restricted support that increases temporarily restricted net assets. Depreciation is recorded over the assets useful life, and net assets are reclassified from temporarily restricted to unrestricted as depreciation is recognized.

The University capitalizes works of art, historical treasures, or similar assets (collectively, Collections). Collections are recorded at fair value at the date of the contribution. Collections of approximately $5.6 million are included in other noncurrent assets on the consolidated balance sheet at June 30, 2014,

Investments
Investments are stated at fair value. The fair value of all debt and equity securities with a readily determinable fair value are based on quotations obtained from national securities exchanges. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. As a practical expedient, the University is permitted under the *Fair Value Measurement* standard to estimate the fair value of an investment in an investment company at the measurement date using the reported net asset value (NAV). Adjustment is required if the University expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with US generally accepted accounting principles (US GAAP). The University's investments are valued based on the most current NAV adjusted for cash flows when the reported NAV is not at the measurement date. This amount represents fair value of these investments at June 30, 2014. The University performs additional procedures including due diligence reviews on its alternative investments and other procedures with respect to the capital account or NAV provided to ensure conformity compliance with valuation procedures in place, the ability to redeem at NAV at the University's measurement date and existence of certain redemption restrictions at the measurement date. The University reviews the values as provided by the investment managers and believes that the carrying amount of these investments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated values are subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.

The Commonwealth of Pennsylvania has not adopted the Uniform Management of Institutional Funds Act (UMIFA) or the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Rather, the Pennsylvania Act governs the investment, use and management of the University's endowment funds. The Pennsylvania Act allows a nonprofit to elect to appropriate for expenditure an investment policy that seeks the long-term preservation of the real value of the investments. In accordance with the Pennsylvania Act, the objectives of the University's investment policy is to provide a level of spendable income which is sufficient to meet the current and future budgetary requirements of the University and which is consistent with the goal of protecting the purchasing power of the investments.

The University's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments. These funds are held in various high-quality financial institutions managed by University personnel and outside advisors. The University maintains its cash and cash equivalents in financial institutions, which at times exceed federally insured limits.

Investment in Assets of Affiliated Foundation
The Methodist Hospital Foundation (the "Foundation"), a separate corporation not under the control of TJUH, accepts gifts and bequests and engages in fundraising activities for the benefit of Methodist Hospital. The Board of Trustees of the Foundation, at its sole discretion, is authorized to contribute Foundation funds to Methodist Hospital. Underlying investments held by the Foundation with restrictions benefiting only Methodist Hospital amounting to

$8.6 million at June 30, 2014, is presented in the consolidated balance sheet. While the sole purpose of the Foundation is to support Methodist Hospital, this accounting treatment does not imply that the Foundation's assets or investment income are those of TJUH. The consolidated financial statement does not reflect or establish the legal relationship, agency or otherwise, between the Foundation and TJUH, or any right to assets owned by the Foundation. The by-laws of the Foundation provide that all assets held by it shall not be subject to attachments, execution, or sequestration for any debt, obligation or liability of TJUH or any other person or entity. In particular, the Foundation is not party to or obligated by any debt instrument of TJUH, and assets owned by the Foundation are not subject to the lien of any such debt instrument.

Split Interest Agreements
The University's split-interest agreements consist of charitable gift annuities, pooled income funds, charitable remainder trusts and a charitable lead trust. Contribution revenue for charitable gift annuities and charitable remainder trusts is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments. Contribution revenue for pooled income funds is recognized upon establishment of the agreement at the fair value of the estimated future receipts discounted for the estimated time period to complete the agreement.

Loans Receivable from Students
Many students receive financial aid that consists of scholarship grants, work-study opportunities and student loans. The Univeristy participaties in various federal revolving loan programs, in addition to administering institutional loan programs. Student loan programs are funded by donor contributions, other institutional sources, and governmental programs, primarily the Federal Perkins Loan Program. The amounts received from the federal government's portion of federal loan programs are ultimately refundable to the federal government and are reported as a liability on the University's consolidated balance sheet as federal student loan advances. Determination of the fair value of Student loans receivable is not practicable.

Student loans receivable, net of allowance for doubtful accounts, consists of the following at June 30, 2014:

Direct student loans	$20,986
Allowance for doubtful accounts	(4,473)
Net	16,513
Federally-sponsored student loans	9,967
Total	$26,480

The University assesses the adequacy of the allowance for doubtful accounts related to direct student loans receivable by performing evaluations of the student loan portfolio, including a review of the aging of the student loan receivable balances and of the default rate by loan program in comparison to prior years. The level of allowance is adjusted based on the results of this analysis. The federally-sponsored student loans receivable represents amounts due from current and former students under various Federal Government loan programs. For direct student loans it is the University's policy to reserve 100% of a loan when the loan is delinquent 2 years or more; a reserve of 85% is recorded for loans delinquent more than 270 days and less than 2 years. The University considers the allowance recorded at June 30, 2014 and 2013 to be reasonable and adequate to absorb potential credit losses inherent in the student loan portfolio.

Land, Buildings, and Equipment, net
Land, buildings, and equipment are carried at cost on date of acquisition or fair value on the date of donation in the case of gifts. Depreciation expense is computed on a straight-line basis over the estimated useful lives of the assets, excluding land. All gifts of land, buildings, and equipment are recorded as unrestricted nonoperating activities unless explicit donor stipulations specify how the donated assets must be used. Interest expense on borrowed funds used for construction, net of interest income earned on unexpended amounts, is capitalized during the construction period.

Conditional Asset Retirement Obligation
A conditional asset retirement obligation is a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. A conditional asset retirement obligation of $2.9 million as of June 30, 2014 is included within other liabilities in the consolidated balance sheet.

New Accounting Standards
In January 2013, the FAB issued a standard *Clarifying the Scope of Disclosures about Offetting Assets and Liabilities*. This guidance requires enhanced disclosures about securities lending thransactions to enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on its financial position. The University adopted this guidance on July 1, 2013.

In May 2014, the FASB issued a standard on Revenue from Contracts with Customers. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard is effective for fiscal years beginning after December 15, 2016. The University is evaluating the impact this will have on the combined financial statements beginning in Fiscal Year 2018.

2. NET ASSETS

Restricted net assets as of June 30, 2014 are categorized as follows (in thousands):

Temporarily restricted	
Pledges	$56,454
Gifts restricted for operating or capital purposes and loan funds	70,536
Undistributed net gains on permanently restricted assets	92,960
Total – Temporarily restricted	219,950
Permanently restricted assets	203,334
Total restricted net assets	$423,284

Temporarily restricted net assets are available for the following purposes at June 30, 2014 (in thousands):

University operations	$11,448
Clinical operations	32,833
Education	155,203
Research	20,466
Total temporarily restricted net assets	$219,950

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support the following at June 30, 2014 (in thousands):

University operations	$8,469
Clinical operations	12,472
Education	147,187
Research	35,206
Total permanently restricted net assets	$203,334

3. ASSETS WHOSE USE IS LIMITED

Assets whose use is limited are presented in the consolidated balance sheet at June 30, 2014 consist of the following (in thousands):

Board designated funds for plant replacement and expansion	$100,490
Board designated funds for self-insurance arrangements	20,072
Debt service funds	20,823
Women's Board and Medical Staff funds	451
Escrow account-Inspira Health Network collaboration	10,001
Total	$151,837
Less current portion	(40,583)
Noncurrent portion	$111,254

4. INVESTMENTS

A summary of investments held in pooled funds at June 30, 2014 is as follows (in thousands):

Cash and cash equivalents	$12,491
Equity securities:	
Domestic	11
Fixed income securities:	
U.S. Treasuries	17,527
Funds:	
Global equity	254,628
Fixed income	106,313
Private equity	70,344
Real estate funds	26,597
Hedge funds	148,778
Total	$636,689

The University's direct investments in equity and fixed income securities are considered liquid assets because they are traded on established markets with enough participants to absorb sale transactions without materially impacting the current price of the asset. The underlying assets in the University's investments in equity and fixed income funds are traded on established markets with enough participants to absorb sale transactions without materially impacting the current price. The funds are priced daily and provide next day availability on all transaction requests. The University's investment in real asset funds provide for monthly liquidity on transaction requests.

The University has made commitments to various private equity and real asset limited partnerships. The total amount of unfunded commitments is $80.5 million at June 30, 2014, which represents 12.1% of the value of the pooled investments at June 30, 2014. The University expects these funds to be called over the next 3 to 5 years.

Private equity	$72,922
Real estate	7,622
	$80,543

The University's pooled investments at June 30, 2014 include $148.8 million of hedge fund investments. These funds provide for quarterly or annual redemptions and require between 60 and 90 day notice periods, limiting the University's ability to respond quickly to changes in market conditions.

Also included in investments at June 30, 2014 were the following non-pooled investments at June 30, 2014 (in thousands):

Short-term investments	$291,036
Intermediate fixed income securities	39,702
Beneficial interest in perpetual trusts	48,021
Split interest agreements	8,214
Investment in Five Pointe under the equity method	66,122
Other	11,026
	$464,121

Beneficial interests in perpetual trusts, which are administered by independent trustees, are mainly comprised of domestic and international equity securities and domestic fixed income securities.

A summary of investments held under split-interest agreements is as follows at June 30, 2014 (in thousands):

Charitable gift annuities	$3,620
Pooled income funds	11
Charitable lead trust	1,363
Charitable remainder trusts	3,220
	$8,214

At June 30, 2014 investment securities with an aggregate fair value of $5.8 million were loaned primarily on a short-term basis to various brokers in connection with a securities lending program. These securities are returnable on demand and are collateralized by cash deposits amounting to 103% of the market value of the securities loaned. The University receives lending fees and continues to earn interest and dividends on the loaned securities.

5. ENDOWMENT FUNDS

The University's endowments consist of 755 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with each of these groups of funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

At June 30, 2014, the endowment net asset composition, excluding pledge receivables, by type of fund consisted of the following (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	$ -	$93,355	$161,128	$254,483
Quasi-endowment funds	224,033	-	-	224,033
Total funds	$224,033	$93,355	$161,128	$478,516

6. FAIR VALUE MEASUREMENT

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the University has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are not currently observable.

Inputs are used in applying the various valuations techniques and broadly refer to the assumption that market participants use to make valuation decisions. An investments level within the fair value hierarchy is based on the lowest level of any input that is significant to

the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment. The categorization of an investment within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the University's perceived risk of that instrument.

Level 1 - Investments whose values are based on quoted market prices in active markets, are therefore classified within Level 1. Typically, securities traded on the NYSE, AMEX, NASDAQ and other major exchanges will be classified as Level 1. These assets include active listed equities, certain U.S. government obligations, mutual funds and certain money market securities. For investments regularly traded on any recognized securities or commodities exchange, the closing price on such exchange (or, if applicable, as reported on the consolidated transactions reporting system) on the last trading date at the end of the fiscal year is used. In the case of securities regularly traded in the over-the-counter market, the closing bid quotations for long positions and the closing asked quotation for short positions on the trading date ending on or preceding the end of the fiscal year is used.

Level 1 Liquidity – Daily based on quoted market value at time of transaction or at daily NAV.

Level 2 - Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. They include investment- common trust equity and fixed income funds, corporate grade bonds, high yield bonds and certain mortgage products. These assets are valued based on quoted market prices in active markets or dealer quotations and are categorized as Level 2. There were no transfers between Levels 1 and 2 during 2014 and 2013.

Level 2 Liquidity – Daily based on quoted market value at time of transaction or at daily NAV.

Level 3- Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 instruments include private equity (direct and fund of funds), real assets investments (real estate, natural resources - direct and fund of funds), hedge funds (direct and fund of funds), and beneficial interests in perpetual trusts and charitable lead trusts held by third parties. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated of future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors. The University uses the "market approach value" valuation technique to value its investments in private equity and real estate ("private investments") and hedge funds.

The University estimates the fair value of an investment company at the measurement date using the reported net asset value ("NAV"). Adjustment is required if the University expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with US generally accepted accounting principles. The University uses the NAV to determine the fair value of all underlying investments which (a) do not have readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

Most private investment funds (private equity, real asset funds) are structured as closed-end, commitment-based investment funds where the University commits a specified amount of capital upon inception of the fund (i.e., committed capital) which is then drawn down over a specified period of the fund's life. Such funds generally do not provide redemption options for investors and, subsequent to final closing, do not permit subscriptions by new or existing investors. Accordingly, the University generally holds interests in such funds for which there is no active market, although in some situations, a transaction may occur in the "secondary market" where an investor purchases a limited partner's existing interest and remaining commitment. The fund managers may value the underlying pirate investment based on an appraised value, discounted cash flow, industry comparable or some other method. The University values these limited partnerships at NAV. These interests, in the absence of a recent and relevant secondary market transaction, are classified as Level 3.

Unlike private investment funds, hedge funds are generally open-end funds as they typically offer subscription and redemption options to investors. The frequency of such subscriptions or redemptions is dictated by such fund's governing documents. The amount of liquidity provided to investors in a particular fund is generally consistent with the liquidity and risk associated with the underlying portfolio (i.e., the more liquid the investments in the portfolio, the greater the liquidity provided to the investors). The fund managers invest in a variety of securities which may not be quoted in an active market. Illiquid investments may be valued based on appraise value, discounted cash flow, industry comparable or some other method.

The methods described above may produce a fair value calculation that may not be indicative of a net realized value or reflective of future fair values. Furthermore, while the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to demine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Level 3 Liquidity (Private investments and hedge funds)

Private Investments - Private investment funds have limited liquidity or redemption options. Liquidity for private investments can be accomplished via a secondary sale transaction. When available, distributions typically take place on a quarterly basis.

Hedge funds – Hedge funds provide quarterly liquidity with (90) notice prior to the quarter's end. Liquidity of individual hedge funds vary based on various factors and may include "gates", "holdbacks" and "side pockets" imposed by the manager of the hedge fund, as well as redemption fees which may also apply. Depending on the redemption options available, it may be possible that the reported NAV represents fair value based on observable data such as ongoing redemption and/or subscription activity. In these cases, the NAV is considered as a Level 2 input. Limited partnerships are valued at NAV. However, certain hedge funds may provide the manager with the ability to suspend or postpone redemption (a "gate") or "hold back" from the payment of redemption proceeds a portion of the redemption (e.g. 10%) until the annual audited financial statements are distributed. In the case of the imposition of a gate, the University does not have the ability to validate or verify the NAV through redemptions. Therefore, the interest is generally classified as Level 3.

In the cases of a holdback, the University considers the significance of the holdback, its impact on the overall valuation and the associated risk that the holdback amount will not be fully realized based on a prior history of adjustments to the initially reported NAV. If the holdback is significant, then the interest is generally classified as Level 3.

For those private equity, real estate limited partnerships, or hedge-fund of fund transactions where valuations dated on the last business day of the year are available, the valuations will be based on the most recent capital account statement (monthly/quarterly), adjusted for interim cash flow activity (contributions, distributions, fees). Substantially all of the University's investments in such funds have been classified within Level 3.

The fair value of the University's interest rate swaps related to its debt obligations and natural gas hedge are based on third-party valuations independent of the counterparties. As the fair values of the hedges are determined based on inputs that are readily available or can be derived from information available in public markets, the University has categorized the hedges as Level 2.

The following table presents the cash and cash equivalents, assets whose use is limited and investments carried on the consolidated balance sheet by level within the valuation hierarchy as of June 30, 2014 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$326,722	$54,179	$ -	$380,901
Equity securities:				
Domestic	3,689	-	2,500	6,189
Fixed income securities:				
Domestic	96,483	130,133	-	226,616
Funds:				
Global equity	-	183,139	-	183,139
Fixed income	-	76,465	-	76,465
Real asset	-	6,332	-	6,332
Other mutual funds	6,296	79,277	-	85,573
Private equity	-	-	72,495	72,495
Real estate	-	2,741	18,338	21,079
Hedge funds	-	-	153,328	153,328
External trusts	-	2,349	46,996	49,345
Total	$433,190	$534,615	$293,657	$1,261,462

The following table presents the other liabilities carried on the consolidated balance sheet by level within the valuation hierarchy as of June 30, 2014 (in thousands):

	Level 1	Level 2	Level 3	Total
Interest rate swaps	-	$28,574	-	$28,574

7. PLEDGES RECEIVABLE

A summary of pledges receivable is as follows at June 30, 2014 (in thousands):

Unconditional promises expected to be collected in:	
Less than one year	$16,757
One year to five years	33,459
Over five years	85,000
	135,216
Less: unamortized discount and allowance for doubtful accounts	(42,572)
	$92,644

The discount rate ranges from 0.41% to 5.5%. The University's largest pledge comprises 87% of the pledge receivable at June 30, 2014.

8. LAND, BUILDINGS AND EQUIPMENT

	June 30, 2014
Land and land improvements	$76,459
Buildings and building improvements	1,089,604
Equipment	830,791
Leasehold improvements	50,680
Construction in progress	35,911
Less: accumulated depreciation	(1,170,861)
Total Land, Buildings and Equipment, net	$912,584

The University uses straight-line depreciation over the assets' estimated lives, which are as follows:

Land improvements	10-20 years
Buildings and building improvements	20-40 years
Equipment	5-10 years
Leasehold improvements	5-10 years

9. NOTES PAYABLE

The Pennsylvania Higher Education Financing Authority issued the 2014 Series A and 2014 Series B notes (the Notes) as limited obligations of the authority payable from amounts received under a loan agreement with the University. The principal amount of the 2014 Series A and 2014 Series B notes are $328.4 million and $24.4 million, respectively, and mature on May 31, 2015. Interest rates vary monthly and are based upon a SIFMA index and LIBOR index for the 2014 Series A and 2014 Series B, respectively, and interest is payable monthly. The proceeds provided funds for the payment or defeasance of certain JHS bonds pursuant to the TJUH separation from JHS on June 30, 2014.

10. LONG-TERM OBLIGATIONS

	June 30, 2014
Revenue bonds:	
1984 Commercial Revenue Bonds, due in 2015; average interest rate was 1.40% in 2014 and 1.43% 2013. Monthly interest payments, principal due in December.	$600
2006 Series A Revenue Bonds, due in varying amounts from 2032 to 2040; average interest rate was 4.73% in 2014 and 2013. Semi-annual interest payments	25,500
2006 Series B Revenue Bonds, due in varying amounts from 2015 to 2032; average interest rate was 4.18% in 2014 and 4.11% in 2013. Semi-annual interest payments.	45,265
2008 Series A Revenue Bonds, due in varying amounts from 2032 to 2034; average interest rate was 4.01% in 2014 and 3.39% in 2013. Monthly interest payments.	25,000
2008 Series B Revenue Bonds, due in varying amounts from 2015 to 2031; average interest rate was 4.01% in 2014 and 3.36% in 2013. Monthly interest payments.	42,260
2010 Series Revenue Bonds, due in varying amounts from 2021 to 2040; average interest rate was 4.89% in 2014 in 2013. Monthly interest payments.	75,000
2012 Series Revenue Bonds, due in varying amounts from 2015 to 2042; average interest rate was 3.92% in 2014 and 2013. Semi-annual interest payments.	41,765
Total Revenue bonds	255,390
Original issue premiums	6,057
Capital lease obligations	11,526
	$272,973

All Revenue bonds were issued by certain financing authorities as limited obligations of the authorities payable from amounts received under loan agreements with the University. The bonds are subject to optional redemption by the University prior to maturity on specified dates at a price equal to 100% of the principal amount, plus any accrued interest. The University is required, among other things, to generate net revenue (as defined) at least equal to 110% of maximum annual debt service requirements. The University was in compliance with such requirements at June 30, 2014.

The fair value of the University's debt obligation was $272.4 million at June 30, 2014. The fair value represents the quoted market value for Revenue bonds (Level 2) and carrying amounts for all other debt, which approximates fair value.

Maturities for long-term debt for each of the next five years are as follows (in thousands):

2015	10,142
2016	10,717
2017	6,483
2018	7,381
2019	7,748
Thereafter	230,502

The University had available unsecured lines of credit from various banks of $46.4 million at June 30, 2014 under which there were no borrowings at June 30, 2014. No compensating balances are required or maintained.

11. DERIVATIVE FINANCIAL INSTRUMENTS

The University entered into derivative transactions for the purpose of reducing the impact of fluctuations in interest rates under the terms of interest rate swap agreements that expire in 2034 executed with the 2008 Series A and B Revenue Bonds. The University has the option of terminating the interest rate swap agreements on a semi-annual basis commencing in 2020. The fair value of this derivative instrument at June 30 in the consolidated balance sheet is as follows (in thousands):

Expiration Date	TJU Receives	TJU Pays	Notional Amount at June 30, 2014	Balance Sheet Location	Fair Value at June 30, 2014
February 1, 2034 with option commencing in 2020	SIFMA	4.01%	$67,260	Noncurrent liability	$7,389

Additionally, in connection with the separation of TJUH from JHS and prior to the merger with the University on June 30, 2014, certain interest rate swap agreements were novated from JHS to the University, whereby the University replaced JHS as the derivative holder. The fair value of these derivative instruments at June 30 in the consolidated balance sheet is as follows (in thousands):

Expiration Date	TJU Receives	TJU Pays	Notional Amount at June 30, 2014	Balance Sheet Location	Fair Value at June 30, 2014
May 1, 2018	68% of United States Dollar LIBOR BBA (one Month)	3.8570%	$19,570	Noncurrent liability	$2,064
May 1, 2027	68% of United States Dollar LIBOR BBA (one Month)	3.919%	$73,925	Noncurrent liability	$13,905
May 1, 2027	68% of United States Dollar LIBOR BBA (one Month)	3.980%	$42,450	Noncurrent liability	$8,202
May 1, 2027	68% of United States LIBOR BBA (Five Year minus 0.2930%)	68% of United States Dollar LIBOR BBA (one Month)	$73,925	Noncurrent liability	($2,473)
May 1, 2017	68% of United States LIBOR BBA (Five Year minus 0.325%)	68% of United States Dollar LIBOR BBA (one Month)	$42,450	Noncurrent liability	($513)

12. OPERATING LEASES

The University has lease obligations for buildings, equipment and ambulatory facilities under various operating leases. At June 30, 2014 the minimum future non-cancelable rental lease commitments are as follows (in thousands):

2015	$30,983
2016	28,746
2017	26,351
2018	23,722
2019	18,897
Thereafter	25,642
	$154,341

13. PENSION PLANS

Retirement benefits are provided for academic employees and certain administrative personnel of TJU and TJUH through direct payments to various funds. Benefits are based upon a percentage of eligible employees' salaries ranging for 9% to 13% based upon age. JUP has a defined contribution plan for employees who work at least 1,000 hours a year. JUP makes contributions to the plan based on a percentage of compensation and years of service within limits established by the IRS. Employees become fully vested after one year of service.

TJU and TJUH have non-contributory defined benefit pension plan for other full-time employees. The TJU plan was frozen to new entrants effective January 1, 2014 and the TJUH plan was frozen to new entrants effective Juy 1, 2004. Commensurate with the freeze of each of these plans to new entrants, existing employees that met certain age and years of service threholds were eligible to remain in the plans and continue to earn benefits. All other employees of TJU and TJUH earn retirement benefits through defined contributions plans that include a fixed employer contribution of 4.5% and a matching contribution of 25% of the first 6% of employee contributions.

Benefits under the non-contributory defined benefit plans are based on the employee's years of service and compensation during the years preceding retirement. Contributions to the plan are designed to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

The accounting guidance for defined benefit pension plans requires employers to recognize the overfunded or underfunded projected benefit obligation ("PBO") of a defined benefit pension plan as an asset or liability in the statement of financial position. The PBO represents the actuarial present value of benefits attributable to employee service rendered to date, including the effects of estimated future salary increases. The accounting guidance also requires employers to recognize annual changes in gains or losses, prior service costs, or other credits that have not been recognized as a component of net periodic pension cost through unrestricted net assets.

The components of the net pension plan financial position on the consolidated balance sheet are as follows (in thousands):

	TJU	TJUH	Total
Change in projected benefit obligation:			
Benefit obligation, beginning of year	$141,172	$333,388	$474,560
Service cost	3,379	6,352	9,731
Interest cost	6,842	16,908	23,750
Net experience loss	29,054	41,313	70,637
Benefits paid	(4,573)	(9,135)	(13,708)
Curtailment	(5,947)	-	(5,947)
Projected benefit obligation, end of year	$169,927	$388,825	$558,752
Change in plan assets:			
Fair value of plan assets, beginning of year	$126,143	$241,241	$367,384
Actual return of plan assets	15,756	32,381	48,137
Employer contributions	3,200	21,024	24,224
Benefit payments	(4,573)	(9,135)	(13,708)
Fair value of plan assets, end of year	$140,526	$285,511	$426,037
Plan funded status	($29,401)	($103,314)	($132,715)

Amounts recognized in unrestricted net assets consist of:

	TJU	TJUH	Total
Net actuarial loss	$55,812	$103,588	$159,400

The accumulated benefit obligation at June 30, 2014 was as follows:

	TJU	TJUH	Total
Accumulated benefit obligation	$163,012	$357,217	$520,229

The estimated actuarial loss that will be amortized from unrestricted net assets during the upcoming fiscal year is $7.9 million.

Actuarial assumptions used to estimate the June 30 pension obligation were as follows:

	TJU	TJUH
Discount rate	4.43%	4.51%
Rate of compensation increase	3.25%	3.00%
Expected return on plan assets	7.25%	7.50%

For their defined benefit pension plans, TJU and TJUH pool funds for investment and utilize the unitization method of accounting for investments in pooled funds. TJU and TJUH had 32.9% and 67.1% of the total shares of the pooled funds at June 30, 2014, respectively. A summary of the plans' targeted and actual asset allocations is as follows for TJU:

	Targeted Range	Percentage of Plan Assets June 30, 2014
Cash	0-5%	1%
Bonds	35-40%	38%
Global equity	40-50%	46%
Real estate and other	10-20%	15%
		100%

A summary of the plans' targeted and actual asset allocations is as follows for TJUH:

	Targeted Range	Percentage of Plan Assets June 30, 2014
Cash	0-5%	2%
Bonds	35-40%	27%
Global equity	40-50%	59%
Real estate and other	10-20%	12%
		100%

The portfolio utilizes a long-term asset allocation strategy that allows management to rebalance the asset allocation back to target levels on a monthly basis. Short-term compliance with the target ranges can be impacted by the severity of market conditions.

The expected long-term rate of return for the plan's assets are based on the historical return of each of the above categories, weighted based on the target allocations for each class.

The assets of the defined benefit pension plan are invested in a manner that is intended to preserve the purchasing power of the plan's assets and provide payments to beneficiaries. Thus, a rate of return objective of inflation plus 5% is targeted.

TJU and TJUH and expect to contribute \$3.7 million and \$20.5 million, respectively, during fiscal year 2015.

Projected benefit payments for the next ten years are as follows (in thousands):

	TJU	TJUH	Total
2015	\$5,986	\$11,729	\$17,715
2016	6,423	13,199	19,622
2017	7,030	14,888	21,918
2018	7,728	16,550	24,278
2019	8,169	18,331	26,500
2020 – 2024	48,167	116,329	164,496
Total	\$83,503	\$191,026	\$274,529

The following tables present the plan assets by level within the valuation hierarchy, as discussed in Note 6, as of June 30, 2014 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$1,166	$5,917	$ -	$7,083
Fixed income securities:				
U.S. Treasuries	8,088	-	-	8,088
Domestic	-	54,415	-	54,415
Funds:				
Global equity	-	233,809	-	233,809
Fixed income	-	67,481	-	67,481
Hedge funds	-	-	46,826	46,826
Private equity	3,134	51	3,322	6,507
Real estate	-	-	1,828	1,828
Total	$12,388	$361,673	$51,976	$426,037

Participation in Multiemployer Defined Benefit Pension Plan

TJU and TJUH are participating employers in The Pension Fund for Hospital and Health Care Employees – Philadelphia and Vicinity (the Pension Fund), a jointly-trusted multiemployer defined benefit pension plan. The Pension Fund is operated for the benefit of Chapter 1199C of the American Federation of State, County and Municipal Employees (the Union). Information about the Pension Fund and the University's participation is summarized below.

The employer identification number for the Pension Fund is 23-2627428. At the date the financial statements were issued Form 5500 was not available for the plan years ending in 2014.

A six year collective-bargaining agreement was approved by the Union effective July 1, 2012. TJU and TJUH contributions as a percentage of covered payroll to the Pension Fund over the term of the agreement is as follows:

2014	14.00%
2015	15.50%
2016	17.25%
2017	18.75%
2018	20.50%

For the Plan Years beginning January 1, 2012 and January 1, 2013, the Pension Fund was determined to be in critical status (also referred to as yellow and red zone status) under the Pension Protection Act of 2006. Accordingly, the Pension Fund is subject to a funding improvement plan. The zone status is based on information that the University 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 percent funding.

At January 1, 2013, the most recent date for which such information is available, the projected benefit obligation of the Pension Fund exceeded the plan assets by $211,152,552.

14. PROFESSIONAL LIABILITY CLAIMS

TJU, TJUH and JUP maintain professional liability insurance under both self-insured and alternative risk financing insurance programs for the distinct services each provides. For all self-insured programs TJU, TJUH and JUP accrue for estimated retained risk liability arising from both asserted and unasserted claims. The estimate of liability is based upon an analysis of historical claims data as prepared by an independent actuary The professional liability insurance program is administered through a policyholder-owned, Vermont-domiciled, risk retention group, Mountain Laurel Risk Retention Group, Inc. ("RRG") which was exclusively owned by JHS until June 30, 2014. For the professional liability coverage only, the RRG is 100% reinsured by a non-profit captive protected cell insurance company, Five Pointe Insurance Company, domiciled in Delaware. Until June 30, 2014, JHS held the sole common membership in Five Pointe. The University has accrued professional liability claims of $312.1 million at June 30, 2014, of which $24.2 million were current. The interest rate used to discount malpractice claims was 3% at June 30, 2014.

The first ("primary") layer of coverage is claims-made coverage with limits of $500,000 per medical incident and $2,500,000 annual aggregate per hospital and $500,000 per medical incident and $1,500,000 annual aggregate per physician. The limits for this primary coverage layer are statutorily prescribed in Pennsylvania. In addition, a $1,000,000 per medical incident and $3,000,000 annual aggregate limit is provided for scheduled dentists, as well as physicians and residents practicing in Delaware and New Jersey. At June 30, 2014, TJUH non-healthcare provider entities are provided with a shared $1,000,000 per incident and $3,000,000 annual aggregate limit of liability.The RRG retains the general liability coverage exposure.

The RRG provides a $2,000,000 per incident and $5,000,000 annual aggregate general liability coverage limit shared by TJUH and the other members of JHS. The premiums charged for the primary professional and general liability layers of coverage are determined by an independent outside actuary, based on loss and loss adjustment expense experience and other factors, at a 65% confidence level and a 3% discount rate for 2014 and include a charge for premium tax and operating expenses.

The second layer of professional liability coverage is provided through Pennsylvania's Medical Care Availability and Reduction of Error Fund (the "MCARE Fund"). This second layer, required by statute, consists of coverage with limits of $500,000 per incident and $1,500,000 annual aggregate per hospital and per employed physician/resident at June 30, 2014. The annual assessments for MCARE Fund coverage are based on the schedule of occurrence rates approved by the Insurance Commissioner of Pennsylvania for the Pennsylvania Professional Liability Joint Underwriting Association multiplied by an annual assessment percentage. This assessment is recognized as an expense in the period incurred. No provision has been made for future MCARE Fund assessments as the unfunded portion of the MCARE Fund liability cannot be reasonably estimated.

Liabilities for potential losses in excess of the primary and MCARE layers up to $5,000,000 each medical incident and $5,000,000 aggregate retention excess of a $7,000,000 each and every medical incident retention are based on actuarially-determined estimates, which reflect a 65% confidence level and a 3% discount rate for 2014. These estimates are based on historical information along with certain assumptions about future events. Changes in assumptions for such considerations as medical costs and actual experience could cause these estimates to change.

TJUH maintains claims-made excess catastrophic professional liability insurance coverage through Five Pointe in the amount of $95,000,000 per medical incident and $95,000,000 annual aggregate after a $5,000,000 each medical incident and $5,000,000 aggregate retention excess of a $7,000,000 each and every medical incident retention (inclusive of the primary and MCARE layers of coverage). Five Pointe reinsured 100% of this risk to seven currently A-rated insurers (ACE, Zurich, Allied World, Berkley, Lloyd's Syndicates, Endurance, and Swiss Re). A separate limit of $95,000,000 per occurrence and $95,000,000 aggregate is also maintained to provide liability insurance coverage excess of the primary general, auto, employers and aviation liability coverages.

Health care entities are required to reflect their "gross" exposure to claims liabilities with a corresponding receivable for insurance recoveries in order to be consistent with other industries. The amount recorded at June 30, 2014 as a non-current asset and as a portion of non-current accrued professional liability claims is $118.0 million.

15. WORKERS' COMPENSATION CLAIMS

The University is self-insured for its workers' compensation exposures. The University accrues for its workers' compensation liability based upon actuarial estimates using a discount rate of 3%. Accrued workers' compensation liabilities were $20.5 million at June 30, 2014. This amounts are presented in the accompanying consolidated balance sheet.

16. COMMITMENTS AND CONTINGENCIES

Letters of Credit
At June 30, 2014, the University had open letters of credit aggregating $93.0 million. The letters of credit provide additional security for the following (in thousands):

1984 Commercial Revenue Bonds (Expiration 3/31/2015)	$625
2008 Series A Revenue Bonds (Expiration 5/31/2016)	25,000
2008 Series B Revenue Bonds (Expiration 5/31/2016)	42,260
Self-insurance (Expiration 12/31/2014)	25,140
	$93,025

Litigation
The University is involved in litigation and regulatory investigations arising in the ordinary course of business. Based on the information currently available, in the opinion of management, all such matters are adequately reserved for and/or covered by commercial insurance and if not so covered or accrued are of such kind, or involve such amounts, as would not have a material adverse effect on the financial position of the University.

17. POST-MERGER ACTIVITIES ON JUNE 30, 2014

In connection with the TJUH separation from JHS on June 30, 2014 and subsequent to the merger between the Univesity and TJUH, JHS transferred certain ownership interests to TJUH and the University.

On June 30, 2014 JHS transferred its ownership interest in the Accountable Care Organization ("the ACO") to TJUH (44.1%), Main Line Health (44.1%), Magee Rehabilitation Hospital (1.8%) and Holy Redeemer Health System (10.0%). TJUH recorded an investment in the ACO in the amount of $1.5 million as of June 30, 2014.

On June 30, 2014, JHS transferred its sole common membership in Five Pointe Insurance Company ("Five Pointe") to TJUH (49%), Main Line Health (49%), and Magee Rehabilitation Hospital (2%), by entering into a Membership Interest and Membership Unit Transfer Agreement. TJUH recorded an investment in Five Pointe in the amount of $66.1 million as of June 30, 2014.

On June 30, 2014 JHS transferred its common stock in Moutain Laurel Risk Retention Group, Inc. ("the RRG") to TJU (49%), Main Line Health (49%) and Magee Rehabilitation

Hospital (2%). TJU recorded an investment in the RRG in the amount of $2.8 million as of June 30, 2014.

The above transactions will be accounted for under the equity method of accounting.

18. CONSOLIDATING BALANCE SHEET OF MERGING ENTITES

The following consolidating balance sheet contains the amounts recognized at the time of the merger on June 30, 2014 for each major class of assets and liabilities and each class of net assets (in thousands). Additionally, the post-merger activity occurring on June 30, 2014 described in Note 17 is reflected.

Thomas Jefferson University (Post-merger)
Notes to Consolidated Balance Sheet
June 30, 2014

Assets	Pre-merger TJUH	Pre-merger TJU	Adjustments & Eliminations	June 30, 2014 Consolidated Total at Merger	June 30, 2014 Post-merger Activity	June 30, 2014 Consolidated Total Post-merger
Current assets						
Cash and cash equivalents	$16 267	$80 864	$630	$97 761	$0	$97 761
Short-term investments	187 954	103 082	-	291 036	-	291 036
Accounts receivable less allowance for doubtful accounts			-			
of $40 388	237 676	46 179	2 646	286 501	7 922	294 423
Due from TJUH	-	371 184	(371 184)	-	-	-
Inventory	30 118	1 392	-	31 510	-	31 510
Pledge receivables	621	16 136	-	16 757	-	16 757
Assets whose use is limited current	40 583	-	-	40 583	-	40 583
Other current assets	11 082	5 605	961	17 648	-	17 648
Total current assets	524 301	624 442	(366 947)	781 796	7 922	789 718
Long-term investments	225 783	515 712	(2 198)	739 297	70 477	809 774
Assets whose use is limited noncurrent	110 658	596	-	111 254	-	111 254
Assets held by affiliated foundation	8 561	-	-	8 561	-	8 561
Due from TJUH	-	37 917	(37 917)	-	-	-
Pledge receivables	19	75 868	-	75 887	-	75 887
Goodwill net	11 418	-	-	11 418	-	11 418
Insurance recoverable	83 101	81 216	(51 185)	113 132	4 912	118 044
Loans receivable from students net	-	26 480	-	26 480	-	26 480
Land buildings and equipment net	543 646	361 908	7 031	912 585	-	912 585
Other noncurrent assets	4 795	8 978	17	13 790	-	13 790
Total assets	$1 512 282	$1 733 117	($451 199)	$2 794 200	$83 311	$2 877 511
Liabilities and Net Assets						
Current liabilities						
Current portion of:						
Long-term obligations	$1 435	$6 481	$2 226	$10 142	$0	$10 142
Due to Thomas Jefferson University	371 184	-	(371 184)	-	-	-
Accrued professional liability claims	13 550	10 680	-	24 230	-	24 230
Accrued workers' compensation claims	5 924	1 560	-	7 484	-	7 484
Deferred revenues	516	10 120	-	10 636	-	10 636
Accounts payable and accrued expenses	122 582	54 697	1 762	179 041	2 852	181 893
Accrued payroll and related costs	62 218	62 336	-	124 554	-	124 554
Grant and contract advances	-	15 563	-	15 563	-	15 563
Notes payable	-	352 805	-	352 805	-	352 805
Other liabilities	1 791	5 238	-	7 029	-	7 029
Total current liabilities	579 200	519 480	(367 196)	731 484	2 852	734 336
Long-term obligations	3 128	255 385	4 318	262 831	-	262 831
Due to Thomas Jefferson University	16 732	-	(16 732)	-	-	-
Accrued pension liability	103 314	29 401	-	132 715	-	132 715
Federal student loan advances	-	18 114	-	18 114	-	18 114
Deferred revenues	-	8 873	-	8 873	-	8 873
Accrued professional liability claims	190 297	143 816	(51 185)	282 928	4 912	287 840
Accrued workers' compensation claims	11 571	1 403	-	12 974	-	12 974
Interest rate swap contracts	-	28 574	-	28 574	-	28 574
Other noncurrent liabilities	23 082	2 985	(21 185)	4 882	-	4 882
Total liabilities	927 324	1 008 031	(451 980)	1 483 375	7 764	1 491 139
Net assets						
Unrestricted	536 579	347 107	-	883 686	75 547	959 233
Unrestriced net assets related to noncontrolling interests	3 074	-	781	3 855	-	3 855
Temporarily restricted	32 833	187 117	-	219 950	-	219 950
Permanently restricted	12 472	190 862	-	203 334	-	203 334
Total net assets	584 958	725 086	781	1 310 825	75 547	1 386 372
Total liabilities and net assets	$1 512 282	$1 733 117	($451 199)	$2 794 200	$83 311	$2 877 511

19. SUBSEQUENT EVENTS

The University monitored subsequent events from the date of the consolidated balance sheet through September 23, 2014 for material items that would require and adjustment to or disclosure in the consolidated financial statements. No material items were noted that would require an adjustment to or disclosure in the financial statements.

Supplemental Information
Thomas Jefferson University
Unaudited Pro Forma Consolidated Statements of Activities and Changes in Net Assets *
For the Years Ended June 30, 2014 and 2013

(in thousands)

	Unaudited 2014	Unaudited 2013
Unrestricted revenues, gains and other support		
Patient service revenue, net of contractual allowance	$1,819,156	$1,776,063
Provision for bad debts	(82,369)	(80,642)
Net patient service revenue less provision for bad debts	1,736,787	1,695,421
Grants and contracts	93,495	100,494
Tuition and fees, net	110,124	107,183
Sales and services of auxiliary activities	17,186	15,893
Investment income	16,773	23,212
Contributions	2,422	3,122
Other revenue clinical operations	73,699	79,242
Other	15,932	14,346
Net assets released from restrictions	24,885	22,498
Total unrestricted revenues, gains and other support	2,091,303	2,061,411
Expenses		
Clinical operations	1,695,354	1,634,942
Instruction	134,014	134,089
Research and other sponsored programs	89,800	95,057
Auxiliary activities	23,063	22,037
Student services	9,731	8,674
Institutional support	33,956	30,946
Operations and maintenance	18,357	20,622
Academic support	26,690	24,716
Other	2,945	2,878
Total expenses	2,033,910	1,973,961
Income from operations before extinguishment of debt	57,393	87,450
Extinguishment of debt	(26,119)	-
Income from operations	31,274	87,450
Nonoperating changes in unrestricted net assets, net		
Gain on investments, net	41,026	39,231
Investment income, net of amounts classified as operating revenue	(11,760)	(10,769)
Reclassification of net assets	(400)	(1,317)
Government grants for capital projects	2,173	4,473
Donated capital received	2,634	-
Change in noncontrolling interest in joint venture	1,663	40
Net assets released from restriction for capital expenditures	251	399
Transfers from JHS	73,272	-
Defined benefit plan, net actuarial (loss) gain	(37,442)	45,102
Increase in unrestricted net assets from nonoperating items	71,417	77,159
Increase in unrestricted net assets	$102,691	$164,609

Supplemental Information

Thomas Jefferson University

Unaudited Pro Forma Consolidated Statements of Activities and Changes in Net Assets, continued *

For the Years Ended June 30, 2014 and 2013

(in thousands)

	Unaudited 2014	Unaudited 2013
Unrestricted net assets		
Revenues, gains and other support	$2,091,303	$2,061,411
Expenses	(2,033,910)	(1,973,961)
Extinguishment of debt	(26,119)	-
Nonoperating changes in unrestricted net assets, net	71,417	77,159
Change in unrestricted net assets	102,691	164,609
Temporarily restricted net assets		
Contributions	61,823	15,003
Gain on investments, net	21,512	15,629
Investment income	5,520	5,115
Reclassification of net assets	9	44
Net assets released from restrictions	(25,146)	(22,883)
Change in temporarily restricted net assets	63,718	12,908
Permanently restricted net assets		
Contributions	34,552	7,324
Net gain on externally held trusts	4,419	2,244
Reclassification of net assets	391	1,273
Change in permanently restricted net assets	39,362	10,841
Change in net assets	205,771	188,358
Net assets, beginning of the year	1,180,601	992,243
Net assets, end of year	$1,386,372	$1,180,601

* The Pro Forma consolidated statements of activities and changes in net assets include the results of historical TJU and TJUH operations, after adjustments for elimination entries and accounting for the post-merger activities described in Note 17