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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
EVANGELICAL COMMUNITY HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
ONE HOSPITAL DRIVE

City or town, state or province, country, and ZIP or foreign postal code
LEWISBURG, PA 17837

D Employer identification number
24-0795411

E Telephone number
(570) 522-2741

G Gross receipts $ 206,524,730

F Name and address of principal officer
MICHAEL O'KEEFE
ONE HOSPITAL DRIVE
LEWISBURG, PA 17837

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 EVANHOSPITAL COM

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

L Year of formation 1926

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE HEALTH CARE SERVICES TO THE PUBLIC AND TO BE THE COMMUNITY'S HEALTH CARE PROVIDER OF CHOICE

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	14
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	1,593
6	Total number of volunteers (estimate if necessary)	**6**	567
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	3,774,305
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	408,613

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	2,807,525	2,477,137
9	Program service revenue (Part VIII, line 2g)	141,285,558	162,075,899
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,698,335	5,125,488
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,449,885	5,765,700
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	154,241,303	175,444,224
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	81,000	77,100
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)	71,783,728	75,745,702
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶509,134		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	66,364,805	77,728,313
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	138,229,533	153,551,115
19	Revenue less expenses Subtract line 18 from line 12	16,011,770	21,893,109

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	240,301,252	261,612,869
21	Total liabilities (Part X, line 26)	79,638,326	81,614,982
22	Net assets or fund balances Subtract line 21 from line 20	160,662,926	179,997,887

Part II Signature Block

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

Sign Here

****** | 2015-05-08
Signature of officer | Date

JAMES STOPPER 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
JULIUS C GREEN CPA JD				P00350393

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

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

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

WE WILL PROVIDE EXCEPTIONAL HEALTHCARE, ACCESSIBLE TO ALL, IN THE SAFEST AND MOST COMPASSIONATE ATMOSPHERE POSSIBLE OUR VISION WE WILL BE OUR COMMUNITY'S HEALTHCARE PROVIDER OF CHOICE BY PATIENTS, PHYSICIANS AND EMPLOYEES

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 $ 125,652,497 including grants of $ 77,100) (Revenue $ 162,372,261)

MEETING THE HEALTHCARE NEEDS OF THE COMMUNITY IS AT THE HEART OF EVANGELICAL COMMUNITY HOSPITAL'S MISSION AS A NOT-FOR-PROFIT CHARITABLE ORGANIZATION THE HOSPITAL'S RESOURCES PROVIDE FOR LONG-TERM INITIATIVES SUCH AS RECRUITMENT AND RETENTION OF OUTSTANDING MEDICAL PROFESSIONALS, ENHANCED TECHNOLOGIES AND NEW FACILITIES AND SERVICES THE HOSPITAL IS LICENSED TO ACCOMMODATE 132 OVERNIGHT PATIENTS, 12 ACUTE REHABILITATION UNIT PATIENTS AND 18 NEWBORN BABIES IT IS A NOT-FOR-PROFIT COMMUNITY HOSPITAL OFFERING A FULL CONTINUUM OF CARE SERVICES RANGE FROM COMPREHENSIVE DIAGNOSTIC TESTS TO DELICATE MICROSURGERY AND FROM SPECIFIC TREATMENT PROGRAMS TO NUMEROUS OUTPATIENT SERVICES IN ADDITION TO PROVIDING HOSPITAL-BASED MEDICAL SERVICES, EVANGELICAL PROVIDES A NUMBER OF COMMUNITY-BASED SERVICES DESIGNED TO IMPROVE THE HEALTH OF AREA RESIDENTS MANY OF THE EMPLOYEES AND MEDICAL STAFF LEAD HEALTH EDUCATION AND SCREENINGS AS WELL AS SUPPORT GROUPS FOR INDIVIDUALS IN THE COMMUNITY LIVING WITH SERIOUS OR CHRONIC HEALTH CONDITIONS WHETHER THROUGH CHARITABLE CARE, SUBSIDIZED HOSPITAL PROGRAMS AND SERVICES, OR COMMUNITY HEALTH EDUCATION, EVANGELICAL STRIVES TO RESPOND TO THE VALLEY'S MOST PRESSING HEALTH NEEDS

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** ▶ 125,652,497

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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	42		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,593		
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		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
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**	14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			**2** 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** Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			**4**	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			**5**	No
6	Did the organization have members or stockholders?			**6**	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			**7a**	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			**7b**	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			**8a** Yes	
b	Each committee with authority to act on behalf of the governing body?			**8b** Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			**9**	No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**	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

▶ JAMES STOPPER CPA ONE HOSPITAL DRIVE
LEWISBURG, PA 17837 (570) 522-2000

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

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								3,548,008	827,420	480,324

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 ▶ 12

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
THE QUANDEL GROUP INC 3003 NORTH FRONT ST SUITE 2-1 HARRISBURG PA 17110	CONSTRUCTION	4,632,451
DIVERSIFIED CLINICAL SERVICES PO BOX 636981 CINCINNATI OH 45263	MANAGEMENT SERVICES	319,886
STANTEC ARCHITECTURE INC 13980 COLLECTIONS CENTER DRIVE CHICAGO IL 60693	ARCHITECT	296,553
DAVID M MAINES ASSOC INC 10 EXPANSION DR PO BOX 167 LEWISTOWN PA 17044	CONSTRUCTION	272,264
EXECUTIVE HEALTH RESOURCES INC PO BOX 822688 PHILADELPHIA PA 191822688	CONSULTING SERVICES	214,290

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 ▶ 137

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	138,337			
	d	Related organizations . . .	1d	5,759			
	e	Government grants (contributions)	1e	277,035			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,056,006			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		2,477,137			
Program Service Revenue			Business Code				
	2a	ECH NET PATIENT SERVICE REV	621400	160,765,673	160,765,673		
	b	EASC NET PATIENT SERVICE REVENUE	621400	1,310,226	1,310,226		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		162,075,899			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		2,413,386			2,413,386
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	2,187,863				
	b	Less rental expenses	2,374,973				
	c	Rental income or (loss)	-187,110				
	d	Net rental income or (loss) . . . . . ▶		-187,110			-187,110
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	31,306,532 / 44,161				
	b	Less cost or other basis and sales expenses	28,569,167 / 69,424				
	c	Gain or (loss)	2,737,365 / -25,263				
	d	Net gain or (loss) . . . . . ▶		2,712,102			2,712,102
	8a	Gross income from fundraising events (not including $ 138,337 of contributions reported on line 1c) See Part IV, line 18 . . a	74,929				
	b	Less direct expenses . . . b	66,942				
	c	Net income or (loss) from fundraising events . . ▶		7,987			7,987
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
Other Revenue		Miscellaneous Revenue	Business Code				
	11a	LABORATORY SERVICES	621500	2,332,426		2,332,426	
	b	BILLING FEES FROM AFFILIATE	541900	925,020		925,020	
	c	CAFETERIA AND VENDING MACHINE SAL	722210	585,436			585,436
	d	All other revenue		2,101,941	296,362	516,859	1,288,720
	e	**Total.** Add lines 11a–11d . . . . . ▶		5,944,823			
	12	**Total revenue.** See Instructions . . . . . ▶		175,444,224	162,372,261	3,774,305	6,820,521

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22	77,100	77,100		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,802,428		3,802,428	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	54,692,729	47,683,442	6,813,394	195,893
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,541,897	1,481,618	54,192	6,087
9 Other employee benefits	11,623,020	9,608,001	1,975,547	39,472
10 Payroll taxes	4,085,628	3,350,888	720,974	13,766
11 Fees for services (non-employees)				
a Management				
b Legal	369,591	3,249	365,088	1,254
c Accounting	101,116		101,116	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	763,249	381,752	381,497	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	9,281,151	4,201,796	5,020,881	58,474
12 Advertising and promotion	504,991	15,743	489,248	
13 Office expenses	6,060,171	4,287,348	1,759,465	13,358
14 Information technology	4,676,058	938,014	3,715,316	22,728
15 Royalties . .				
16 Occupancy	2,142,917	2,142,917		
17 Travel	157,872	114,865	39,567	3,440
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	237,896	136,374	92,699	8,823
20 Interest	2,389,484	2,389,484		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	10,298,793	10,298,793		
23 Insurance	841,211	841,211		
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	23,354,364	23,319,187	35,177	
b BAD DEBT EXPENSE	11,001,889	11,001,889		
c MA MODERNIZATION	1,469,120	1,469,120		
d LOSS ON DEBT REFINANCIN	1,443,953		1,443,953	
e All other expenses	2,634,487	1,909,706	578,942	145,839
25 **Total functional expenses.** Add lines 1 through 24e	153,551,115	125,652,497	27,389,484	509,134
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		2,150	1	2,570
	2	Savings and temporary cash investments		10,485,038	2	24,058,903
	3	Pledges and grants receivable, net		677,515	3	449,410
	4	Accounts receivable, net		13,146,488	4	14,319,684
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		1,427,054	7	1,370,070
	8	Inventories for sale or use		3,394,595	8	3,525,864
	9	Prepaid expenses and deferred charges		2,316,667	9	2,613,212
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 224,138,989			
	b	Less accumulated depreciation	10b 105,407,282	119,199,050	10c	118,731,707
	11	Investments—publicly traded securities		76,981,404	11	83,686,070
	12	Investments—other securities See Part IV, line 11		3,675,408	12	3,205,125
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	3,175,259
	15	Other assets See Part IV, line 11		8,995,883	15	6,474,995
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		240,301,252	16	261,612,869
Liabilities	17	Accounts payable and accrued expenses		17,935,055	17	17,369,328
	18	Grants payable			18	
	19	Deferred revenue			19	28,492
	20	Tax-exempt bond liabilities		48,335,000	20	45,894,698
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		1,597,158	23	594,424
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		11,771,113	25	17,728,040
	26	**Total liabilities.** Add lines 17 through 25		79,638,326	26	81,614,982
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		153,886,825	27	172,260,702
	28	Temporarily restricted net assets		1,368,250	28	1,863,475
	29	Permanently restricted net assets		5,407,851	29	5,873,710
		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		160,662,926	33	179,997,887
	34	Total liabilities and net assets/fund balances		240,301,252	34	261,612,869

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	175,444,224
2	Total expenses (must equal Part IX, column (A), line 25)	2	153,551,115
3	Revenue less expenses Subtract line 2 from line 1	3	21,893,109
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	160,662,926
5	Net unrealized gains (losses) on investments	5	4,345,660
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	-6,903,808
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	179,997,887

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Additional Data

Software ID:
Software Version:
EIN: 24-0795411
Name: EVANGELICAL COMMUNITY HOSPITAL

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL N O'KEEFE PRESIDENT/CEO (NON-VOTING)	40 00 1 00	X		X				717,281	0	98,024
JOHN GRIFFITH DIRECTOR	1 00 10	X						0	0	0
TIM APPLE DIRECTOR	1 00 10	X						0	0	0
JULIE BARNA DMD VICE CHAIR	1 00 10	X		X				0	0	0
MARTHA A BARRICK DIRECTOR	1 00 10	X						0	0	0
BROOKS GRONLUND DIRECTOR	1 00 10	X						0	0	0
ROBERT L GRONLUND DIRECTOR	1 00 10	X						0	0	0
ROGER S HADDON JR CHAIR	1 00 10	X		X				0	0	0
AMANDA KESSLER DIRECTOR	1 00 10	X						0	0	0
JOHN MECKLEY ESQ DIRECTOR	1 00 10	X						0	0	0
FREDRIK B PAULSEN JR DIRECTOR	1 00 10	X						0	0	0
JANICE OMLOR DO DIRECTOR	1 00 10	X						0	0	0
W GALE REISH MD DIRECTOR	1 00 10	X						0	0	0
J DONALD STEELE JR DIRECTOR	1 00 10	X						0	0	0
JOHN E RICE MD DIRECTOR/PHYSICIAN	1 00 39 10	X						0	239,100	24,640
DENNIS SWANK DIRECTOR	1 00 10	X						0	0	0
HENRY A TRUSLOW IV DIRECTOR	1 00 10	X						0	0	0
P RONALD ZUG DIRECTOR/PHYSICIAN	1 00 39 10	X						0	121,560	11,849
TODD STEFAN MD EX-OFFICIO (NON-VOTING)/PHYSICIAN	1 00 39 10	X						0	466,760	28,836
SHARON L PEARCE EX-OFFICIO (NON-VOTING)	1 00 10	X						0	0	0
SARA G KIRKLAND DIRECTOR EMERITUS (NON-VOT	1 00 10	X						0	0	0
JOHN MATHIAS DIRECTOR EMERITUS (NON-VOT	1 00 10	X						0	0	0
JAMES G APPLE DIRECTOR EMERITUS (NON-VOT	1 00 10	X						0	0	0
NORMAN S RICH DIRECTOR EMERITUS (NON-VOT	1 00 10	X						0	0	0
KENDRA A AUCKER CHIEF OPERATING OFFICER	40 00			X				538,882	0	49,501

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JAMES A STOPPER CHIEF FINANCIAL OFFICER	40 00 1 00			X				255,235	0	35,928
J LAWRENCE GINSBURG VP MEDICAL AFFAIRS	40 00				X			403,163	0	72,609
PAUL E TARVES VP OF NURSING	40 00				X			332,707	0	40,375
DALE E MOYER CHIEF INFORMATION OFFICER	40 00				X			282,527	0	39,939
MARK K KRAMMES CHIEF CRNA	40 00					X		238,119	0	26,918
SANDRA S WALKER NURSE ANESTHETIST	45 00					X		202,336	0	8,410
LORI K GOODLING NURSE ANESTHETIST	45 00					X		194,819	0	9,766
ROSEMARY S BURG NURSE ANESTHETIST	45 00					X		193,433	0	14,181
COLLEEN A FRITZ NURSE ANESTHETIST	45 00					X		189,506	0	19,348

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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

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

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

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

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

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

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

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

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

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

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? — **11g(i)**		
(ii) A family member of a person described in (i) above? — **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? — **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	4,590,433	3,717,474	3,351,677	2,853,652	2,701,406
b	Contributions	322,276	700,530	114,280	380,340	123,011
c	Net investment earnings, gains, and losses	635,909	280,387	341,323	207,310	102,387
d	Grants or scholarships	19,298	22,640	15,894	16,598	2,000
e	Other expenditures for facilities and programs	79,509	67,350	60,316	67,522	66,203
f	Administrative expenses	21,600	17,968	13,596	5,505	4,949
g	End of year balance	5,428,211	4,590,433	3,717,474	3,351,677	2,853,652

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

- a Board designated or quasi-endowment ▶ 62 420 %
- b Permanent endowment ▶ 37 580 %
- c Temporarily restricted endowment ▶

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

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

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		7,074,428		7,074,428
b Buildings		108,980,922	33,545,451	75,435,471
c Leasehold improvements		2,052,671	512,199	1,540,472
d Equipment		95,583,423	68,816,017	26,767,406
e Other		10,447,545	2,533,615	7,913,930
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				118,731,707

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

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

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

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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	
BLUE CROSS CURRENT FINANCING ADVANCE	3,287,199
ACCRUED POSTRETIREMENT BENEFIT COSTS	6,312,775
ESTIMATED MEDICAL MALPRACTICE CLAIMS LIABILITY	854,816
CHARITABLE GIFT ANNUITIES PAYABLE	755,163
DEFERRED COMPENSATION	1,678,275
CAPITAL LEASE OBLIGATION	2,612,323
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	2,121,618
DUE TO AFFILIATES	105,871
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	17,728,040

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	172,156,400
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	4,345,660		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-9,705,697		
e	Add lines **2a** through **2d**			2e	-5,360,037
3	Subtract line **2e** from line **1**			3	177,516,437
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	369,702		
b	Other (Describe in Part XIII)	4b	-2,441,915		
c	Add lines **4a** and **4b**			4c	-2,072,213
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	175,444,224

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	152,821,439
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	10,641,915		
e	Add lines **2a** through **2d**			2e	10,641,915
3	Subtract line **2e** from line **1**			3	142,179,524
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	369,702		
b	Other (Describe in Part XIII)	4b	11,001,889		
c	Add lines **4a** and **4b**			4c	11,371,591
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	153,551,115

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
PART V, LINE 4	ENDOWMENT FUNDS WILL BE USED TO SUPPORT VARIOUS HOSPITAL PROGRAMS SUCH AS FUNDING HELPLINE SERVICES, COMMUNITY HEALTH EDUCATION, HOSPICE SERVICES, PRE-HOSPITAL SERVICES, FAMILY PLACE (OB SERVICES), PROVIDE NURSING SCHOLARSHIPS AND TO PROVIDE FOOD, SERVICE, OR CARE FOR PEOPLE WHO DO NOT HAVE THE MEANS TO PAY FOR THE SERVICE
PART X, LINE 2	THE CORPORATION ACCOUNTS FOR UNCERTAINTY IN INCOME TAXES USING A RECOGNITION THRESHOLD OF MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION BY THE APPROPRIATE TAXING AUTHORITY MEASUREMENT OF THE TAX UNCERTAINTY OCCURS IF THE RECOGNITION THRESHOLD HAS BEEN MET MANAGEMENT HAS DETERMINED THAT THERE WERE NO TAX UNCERTAINTIES THAT MET THE RECOGNITION THRESHOLD IN 2014 OR 2013 THE HOSPITAL'S FEDERAL RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX (FORM 990) AND THE FEDERAL EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURNS (FORM 990-T) FOR THE YEARS ENDING PRIOR TO JUNE 30, 2011 NO LONGER REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE ("IRS")
PART XI, LINE 2D - OTHER ADJUSTMENTS	CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENT 33,439 VALUATION GAIN 402,348 POSTRETIREMENT BENEFIT LIABILITY ADJUSTMENT -666,975 PROVISION FOR BAD DEBT (NETTED ON F/S) -11,001,889 EQUITY TRANSFER FROM AFFILIATE 1,527,380
PART XI, LINE 4B - OTHER ADJUSTMENTS	RENTAL EXPENSES -2,374,973 SPECIAL EVENTS EXPENSE -66,942
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES 2,374,973 SPECIAL EVENTS EXPENSE 66,942 EQUITY TRANSFER TO AFFILIATE 8,200,000
PART XII, LINE 4B - OTHER ADJUSTMENTS	PROVISION FOR BAD DEBT (NETTED ON F/S) 11,001,889

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 24-0795411
Name: EVANGELICAL COMMUNITY HOSPITAL

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Book Value
BLUE CROSS CURRENT FINANCING ADVANCE	3,287,199
ACCRUED POSTRETIREMENT BENEFIT COSTS	6,312,775
ESTIMATED MEDICAL MALPRACTICE CLAIMS LIABILITY	854,816
CHARITABLE GIFT ANNUITIES PAYABLE	755,163
DEFERRED COMPENSATION	1,678,275
CAPITAL LEASE OBLIGATION	2,612,323
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	2,121,618
DUE TO AFFILIATES	105,871

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

Information about Schedule G (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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

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

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

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

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

	(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total . . . . . ▶							

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

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

		(a) Event #1 2014 GALA (event type)	(b) Event #2 2013 GOLF TOURNAMENT (event type)	(c) Other events 1 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	131,427	60,829	21,010	213,266
	2 Less Contributions	78,705	43,012	16,620	138,337
	3 Gross income (line 1 minus line 2)	52,722	17,817	4,390	74,929
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	2,658	9,030	1,260	12,948
	7 Food and beverages	13,154	6,403	338	19,895
	8 Entertainment	6,500		300	6,800
	9 Other direct expenses	19,028	5,100	3,171	27,299
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(66,942)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				7,987

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

11

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ .....

Address ▶ .....

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

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

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

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		403	248,217	0	248,217	0 170 %
b Medicaid (from Worksheet 3, column a)		18,056	11,906,258	4,977,065	6,929,193	4 860 %
c Costs of other means-tested government programs (from Worksheet 3, column b)		329	54,479	0	54,479	0 040 %
d **Total** Financial Assistance and Means-Tested Government Programs		18,788	12,208,954	4,977,065	7,231,889	5 070 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	79	18,593	723,519	50,629	672,890	0 470 %
f Health professions education (from Worksheet 5)	11	62	150,343	30,000	120,343	0 080 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	3	739	17,035	0	17,035	0 010 %
j **Total.** Other Benefits	93	19,394	890,897	80,629	810,268	0 560 %
k **Total.** Add lines 7d and 7j	93	38,182	13,099,851	5,057,694	8,042,157	5 630 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	5	50	4,664	786	3,878	0 %
4	Environmental improvements						
5	Leadership development and training for community members	3	140	2,349		2,349	0 %
6	Coalition building	11	190	24,484		24,484	0 020 %
7	Community health improvement advocacy						
8	Workforce development	12	431	152,173		152,173	0 110 %
9	Other						
10	**Total**	31	811	183,670	786	182,884	0 130 %

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	2,373,376		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	28,534,285
6	Enter Medicare allowable costs of care relating to payments on line 5	6	40,244,430
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-11,710,145
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

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

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☑ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☑ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? **1**

	Name and address	Type of Facility (describe)
1	EVANGELICAL AMBULATORY SURGICAL CENTER 210 JPM ROAD SUITE 100 LEWISBURG,PA 17837	OUTPATIENT SURGICAL CENTER
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	THE COMMUNITY BENEFIT REPORT IS AVAILABLE ON THE HOSPITAL'S WEBSITE OR UPON REQUEST

Form and Line Reference	Explanation
PART I, LINE 7	THE HOSPITAL USED THE COST-TO-CHARGE RATIO TO DETERMINE THE AMOUNTS INCLUDED IN LINE 7

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $11,001,889

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	AS A COMMUNITY AND HEALTH RESOURCE FOR MORE THAN 88 YEARS, EVANGELICAL COMMUNITY HOSPITAL HAS CONTINUALLY DEMONSTRATED ITS COMMITMENT TO THE CENTRAL SUSQUEHANNA VALLEY BY TAKING CARE OF PATIENTS NEEDING TREATMENT, AND BY ITS OUTREACH TO THE COMMUNITY BEYOND THE DAILY CARE OF PATIENTS, THE HOSPITAL EXTENDS ITS REACH TO PROVIDE PREVENTION AND WELLNESS EDUCATION TO RESIDENTS OF THE VALLEY OUTREACH INCLUDES CHARITY-CARE FOR THOSE WHO CANNOT AFFORD MEDICAL TREATMENT, HEALTH SCREENINGS TARGETING THE UN/UNDER-INSURED, HEALTH EDUCATION FOCUSING ON HEALTHY LIFESTYLE CHANGES, CHILD SAFETY SEAT INSPECTIONS, SCHOOL AGED HEALTH INITIATIVES, AND LECTURES ON HEALTH CONCERNS AND TOPICS MANY OF THESE PROGRAMS ARE PROVIDED AT MINIMAL OR NO COST, AND ARE SUBSIDIZED USING HOSPITAL RESOURCES COMMUNITY BENEFIT THE COMMUNITY BENEFIT COMMITTEE OF THE HOSPITAL CONTINUES TO FOCUS ON DEVELOPING NEW WAYS OF IDENTIFYING AND ADDRESSING HEALTH NEEDS IN OUR REGION THE HOSPITAL UTILIZES THE INTERNAL DOCUMENTATION PROCESS DEVELOPED TO CAPTURE COMMUNITY BENEFIT OUTREACH DELIVERED BY THE MAJORITY OF ITS EMPLOYEES THE COMMITTEE CONSISTS OF MEMBERS FROM THE HOSPITAL'S BOARD OF DIRECTORS, EXECUTIVE OPERATING TEAM, MANAGEMENT STAFF, AS WELL AS FRONT-LINE CLINICAL AND ADMINISTRATIVE EMPLOYEES THE COMMUNITY BENEFIT COMMITTEE WORKS COOPERATIVELY WITH DEPARTMENTS OF THE HOSPITAL AND OTHER ORGANIZATIONS IN THE COMMUNITY TO ADDRESS UNMET NEEDS CANCER AWARENESS AND EDUCATION IS EXTREMELY IMPORTANT THE FOLLOWING PROGRAMS WERE OFFERED IN FY14, THE CORRESPONDING NUMBER BESIDE THE PROGRAM DOCUMENTS THE NUMBER OF PEOPLE SERVED PROGRAM INDIVIDUALS SERVEDLOOK GOOD, FEEL BETTER 1-2 WOMEN MONTHLYCANCER SUPPORT GROUP 5-6 PER MEETINGHOSPITAL'S EMPLOYEE HEALTH FAIR (EDUCATION ON BREAST CANCER AWARENESS, SMOKING CESSATION, EARLY DETECTION AND PREVENTATIVE HEALTH ACTIVITIES) 200 EMPLOYEES AND FAMILY MEMBERSCOUPLES RETREAT 3 COUPLES (6 PARTICIPANTS)I CAN COPE SURVIVOR PROGRAM 10 PARTICIPANTSCOPING WITH THE HOLIDAYS PROGRAM 21 PARTICIPANTSFREE SKIN CANCER SCREENINGS 44 PARTICIPANTSCOMMUNITY EVENT TO SUPPORT BREAST CANCER 320 PARTICIPANTSLIFE AFTER LOSS BEREAVEMENT SUPPORT GROUP PARTICIPANTSOTHER HEALTH EDUCATION AND PREVENTION ACTIVITIES INCLUDE PROGRAM INDIVIDUALS SERVEDMONTHLY SUPPORT GROUPS 1493 PARTICIPANTSFREE HEART HEALTH SCREENINGS 44 PARTICIPANTSCOMPREHENSIVE BLOOD SCREENINGS 723 PARTICIPANTSMEN'S HEALTH SCREEN 42 PARTICIPANTSWOMEN'S HEALTH SCREEN 92 PARTICIPANTS

Form and Line Reference	Explanation
PART III, LINE 2	THE COSTING METHODOLOGY USED IN DETERMINING BAD DEBT EXPENSE AT COST IS BAD DEBT EXPENSE TIMES THE COST TO CHARGE RATIO IN DETERMINING BAD DEBT EXPENSE, PATIENT LIABILITIES ARE NET OF THIRD-PARTY PAYMENTS AND ANY PATIENT PAYMENTS

Form and Line Reference	Explanation
PART III, LINE 3	WE BELIEVE THAT A PORTION OF OUR BAD DEBTS RESULTS FROM SERVICES PROVIDED TO PATIENTS WHO MEET THE CHARITY CARE GUIDELINES BUT WERE UNABLE OR UNWILLING TO PROVIDE THE APPROPRIATE DOCUMENTATION TO ALLOW THAT CLASSIFICATION EVANGELICAL COMMUNITY HOSPITAL PROVIDES CARE TO ALL PATIENTS WHO NEED IT, REGARDLESS OF THEIR ABILITY TO PAY THIS IS PART OF THE HOSPITAL'S MISSION

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

Form and Line Reference	Explanation
PART III, LINE 8	THE HOSPITAL CONTINUES TO PROVIDE CARE TO ALL PRESENTING AND ADMITTED PATIENTS, REGARDLESS OF ABILITY OR PAY NOTWITHSTANDING THE COSTS TO PROVIDE CARE, RECEIVING "LESS" THAN WHAT IT COSTS TO PROVIDE ADEQUATE CARE TO MEDICARE COVERED LIVES DOES THE HOSPITAL A DISSERVICE THIS SHORTFALL SHOULD COUNT AS A COMMUNITY BENEFIT THE HOSPITAL USES THE COST-TO-CHARGE RATIO TO DETERMINE THE MEDICARE ALLOWABLE COSTS

Form and Line Reference	Explanation
PART III, LINE 9B	IN ACCORDANCE WITH THE COLLECTION POLICY, BAD DEBT ACCOUNTS WILL BE ELIGIBLE FOR A CHARITY CARE DISCOUNT IF THE PATIENT MEETS CHARITY CARE POLICY GUIDELINES THE PATIENT WILL NEED TO SUPPLY INCOME INFORMATION IN ORDER TO DETERMINE ELIGIBILITY FOR CHARITY CARE PER POLICY ALSO SEE RESPONSES TO PART III SECTION A ABOVE

Form and Line Reference	Explanation
PART VI, LINE 2	IN 2012, EVANGELICAL COMMUNITY HOSPITAL PARTICIPATED IN A FIVE-COUNTY (SNYDER, UNION, MONT OUR, NORTHUMBERLAND AND COLUMBIA) COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) THE ASSESSMENT PROCESS WAS LED BY ACTION HEALTH, AN ORGANIZATION THAT FOSTERS COLLABORATION BETWEEN HOSP ITALS AND LOCAL EDUCATIONAL INSTITUTIONS FOR THE PURPOSE OF MEETING THE HEALTH NEEDS OF TH E COMMUNITY DURING THIS REPORTING PERIOD, EVANGELICAL HAS DEVELOPED NEW AND ENHANCED EXIS TING PROGRAMMING AS WELL AS COLLABORATED WITH EXTERNAL ORGANIZATIONS TO PROVIDE EDUCATIONA L AND SCREENING OPPORTUNITIES THAT MEET THE IDENTIFIED NEEDS AS PRESENTED IN OUR CURRENT A SSESSMENT IN JUNE 2013 THE HOSPITAL'S BOARD OF DIRECTORS APPROVED OUR CURRENT IMPLEMENTAT ION PLAN THIS PLAN PROVIDED A ROADMAP FOR OUR HOSPITAL TO MEET SPECIFIC NEEDS WITHIN OUR FOUR COUNTY SERVICE AREA BELOW ARE THE THREE KEY IDENTIFIED NEEDS, THE HOSPITAL'S RESPONS E ACCORDING TO OUR IMPLEMENTATION PLAN AND OUR ACCOMPLISHMENTS AS WELL AS WHAT IS IN PROCE SS 1) IMPROVING ACCESS TO HEALTHCARE FOR UN/UNDER INSURED RESIDENTS - NEED FOR INCREASED ACCESS TO AFFORDABLE HEALTH INSURANCE AND INCREASED NUMBER OF HEALTHCARE PROVIDERS IN GENE RAL AND SPECIFICALLY, HEALTHCARE PROVIDERS THAT WILL ACCEPT STATE FUNDED MEDICAL INSURANCE A) CONTINUE TO OFFER A VARIETY OF HEALTH SCREENING PROGRAMS FOR THE COMMUNITY AT MINIMAL OR NO COST CURRENTLY THE HOSPITAL OFFERS SEVERAL HEALTH SCREENINGS THROUGHOUT OUR SERVICE AREA WE FOCUS ON LOW OR NO COST AND TARGET THOSE THAT ARE UN OR UNDER INSURED PROGRESS COLLABORATIVE EFFORTS WITH THE DEPARTMENT OF HEALTH, AREA AGENCY ON AGING AND A COMMUNITY CLINIC, A FREE, HIGH QUALITY HEALTHCARE CLINIC FOR THE UNINSURED, HAVE PROVEN TO BE SUCCE SSFUL AND IN HIGH DEMAND WE CONTINUE TO OFFER MULTIPLE HEALTH SCREENS MONTHLY B) COLLABOR ATE WITH THE HOSPITAL'S EMPLOYED PHYSICIAN NETWORK, THE EVANGELICAL MEDICAL SERVICE ORGANI ZATION (EMSO), FAMILY PRACTICE CENTERS AND EVANGELICAL'S HOSPITALISTS TO DEVELOP AND DEPLO Y THE "YOUR WELLNESS PRESCRIPTION PAD" PROGRESS WE HAVE DEVELOPED A PRESCRIPTION PAD AS WELL AS AN ELECTRONIC VERSION FOR PROVIDERS TO PRESCRIBE THROUGH OUR EHR C) DEVELOP A COM MUNITY HEALTH COALITION PROGRESS OUR COMMUNITY HEALTH COALITION HAS BEEN MEETING FOR TWO YEARS DURING THIS TIME THE COALITION HAS DEVELOPED COLLABORATIONS AND RELATIONSHIPS THAT HAVE STRENGTHENED OUR COMMUNITY EFFORTS TO MEET THE IDENTIFIED NEEDS OF OUR SERVICE AREA D) EXPAND THE OUTREACH OF THE HOSPITAL'S "FREE OR REDUCED FEE MAMMOGRAPHY PROGRAM" TO REA CH HIGH RISK WOMEN (E G , MINORITY POPULATIONS, AMISH AND MENNONITES, AND THOSE WITHOUT IN SURANCE) PROGRESS THIS PROGRAM CONTINUES TO GROW NOT ONLY CAN WE PROVIDE FREE MAMMOGRAM S BUT FUNDING HAS BEEN SECURED TO ASSIST WITH RECOMMENDED DIAGNOSTIC FOLLOW UPS E) DEVELO P AND EXPAND A NEW SURVIVORSHIP ASSISTANCE PROGRAM FOR CANCER SURVIVORS PROGRESS OUR SUR VIVORSHIP PROGRAM HAS GROWN INTO A STRONG AND STABLE PROGRAM WE CURRENTLY OFFER AN ASSIST ANCE PROGRAM FOR PATIENTS NEEDING ADDITIONAL SUPPORT IN AREAS SUCH AS FINANCIAL AND EMOTIO NAL SUPPORT WE HAVE ALSO DEVELOPED A "COUPLES RETREAT" THIS PROGRAM ALLOWS THE SURVIVOR AND A PARTNER TO GET AWAY AND FOCUS ON THEIR RELATIONSHIP AS IT RELATED TO A CANCER DIAGNO SIS THE HOSPITAL WILL BE ANNOUNCING A CANCER SERVICE LINE IN JANUARY 2015 F) DEVELOP AND EXECUTE OUTREACH EFFORTS TO IMPROVE ACCESS TO CARE AT EVANGELICAL COMMUNITY HOSPITAL AND THE LARGER HEALTH SERVICES NETWORK A IMPLEMENTATION OF A CALL CENTER FOR PHYSICIAN AND SE RVICE REFERRALSB DEVELOP OUTREACH EFFORTS TO ENCOURAGE USE OF EMERGENCY DEPARTMENT'S NEW "ERGENT CARE" TO REDUCE THE WAITING TIME TO RECEIVE CARE FOR EMERGENT ILLNESSES AND INJURI ES PROGRESS THE CALL CENTER HAS PROVEN TO BE A BENEFIT WE AVERAGE 60-70 CALLS WITH APPR OXIMATELY A THIRD BEING "WARM" TRANSFERS TO A PHYSICIAN'S OFFICE OUR ER FAST TRACK PROGRA M IS CALLED "ERGENT CARE" AND HAS BEEN OPERATING SUCCESSFULLY FOR OVER TWO YEARS G) DEVELO P AN ACCESS TO CARE TEAM COMPRISED OF KEY PERSONNEL FROM HOSPITAL SERVICE AREAS WITH THE G OAL TO ENHANCE OUR ABILITY TO PROVIDE BETTER ACCESS TO CARE THEY INCLUDE MANAGED CARE, R EGISTRATION, FINANCE, PATIENT ACCOUNTS, COMMUNITY HEALTH, EMSO, EMERGENCY DEPARTMENT, OUTP ATIENT CASE MANAGEMENT COORDINATOR, NURSING, SOCIAL SERVICES, AND MARKETING & PUBLIC RELAT IONS2) IMPROVING HEALTHY BEHAVIORS -NEED FOR INCREASED AWARENESS AND EDUCATION, MOTIVATIO N AND/OR INCENTIVES FOR RESIDENTS WHO PRACTICE HEALTHY BEHAVIORS AND INCREASE ACCESS TO HE ALTHY OPTIONS IN THE REGION A) CONTINUE TO OFFER A VARIETY OF EDUCATIONAL PROGRAMMING FOR THE YOUTH IN THE COMMUNITY AT NO COST EVANGELICAL COMMUNITY HOSPITAL OFFERS A WIDE VARIET Y OF EDUCATIONAL PROGRAMS GEARED TOWARD HEALTHY EATING, HYGIENE, STAYING ACTIVE AND LIVING TOBACCO FREE THESE PROGRAMS WILL BE OFFERED WITHIN OUR SERVICE AREA AND WILL SPECIFICALL Y TARGET LOCAL SCHOOL DISTRICTS ADDITIONAL PROGRAMMING WILL BE ADDED FOR SPECIFIC IDENTIF IED POPULATIONS, I E PRESCHOOLS, YMCA'S, AND OTHE

Form and Line Reference	Explanation
PART VI, LINE 2	R FACILITIES AS REQUESTED PROGRESS WE CONTINUE TO INCREASE OUR VISIBILITY IN THE NUMEROU S SCHOOL DISTRICTS IN OUR AREA WE ALSO EVALUATE AND IMPROVE OUR PROGRAMMING ON A REGULAR BASIS B) DEVELOP AND IMPLEMENT A WALKING PROGRAM FOR THE YOUTH THE WALKING PROGRAM WILL P ROMOTE TAKING HEALTHIER STEPS FOR STAYING ACTIVE THIS PROGRAM WILL BE OFFERED TO LOCAL SC HOOL DISTRICTS AS A BEFORE SCHOOL PROGRAM THROUGH THE WALKING PROGRAM WE WILL OFFER MATER IAL ON HEALTHY EATING AND LIVING TOBACCO FREE TO ALL SCHOOL DISTRICTS WITHIN THE HOSPITAL' S FOOTPRINT PROGRESS THE PROGRAM WAS DEVELOPED BUT WAS NOT ABLE TO BE IMPLEMENTED AT THE SCHOOLS WE CURRENTLY HAVE STAFF ASSISTING WITH AN AFTER SCHOOL PROGRAM, "GIRLS ON THE RU N " THIS INTERNATIONAL PROGRAM FOCUSES ON SEVERAL ASPECTS THAT OUR WALKING PROGRAM PLANNED TO INCORPORATE C) DEVELOP AND IMPLEMENT "10,000 STEPS" PROGRAM INTO THE GREATER SUSQUEHA NNA VALLEY THIS PROGRAM WILL PROMOTE GOOD HEALTH AND HELP PARTICIPANTS DEVELOP A FITNESS REGIME BY ENCOURAGING THEM TO STRIVE FOR 10,000 STEPS A DAY (THE EQUIVALENT OF WALKING ROU GHLY FIVE MILES) A PERSON WHO WALKS AT LEAST 10,000 STEPS A DAY COULD BURN 2,000 - 3,500 EXTRA CALORIES PER WEEK PROGRESS WE PROMOTED TWO HEALTHY LIFESTYLE EVENTS ONE FOR ANY C OMMUNITY MEMBER AND THE OTHER WAS TARGETED AT OUR SENIOR POPULATION D) DEVELOP AND IMPLEM ENT A NEW EDUCATIONAL PROGRAM TO OFFER LOCAL YMCA'S AND SUMMER/DAY CAMPS TO EDUCATE STUDEN TS ON THE IMPORTANCE OF HEALTHY EATING, BEING ACTIVE, AND LIVING TOBACCO FREE PROGRESS W E HAVE BEEN SUCCESSFUL IN DEVELOPING PROGRAMMING FOR OUR LOCAL YMCA AND SUMMER/DAY CAMPS ALL PROGRAMMING FOCUSES ON HEALTHY LIFESTYLES IN SUMMER 2015 WE PLAN TO PILOT A NEW PROGR AM AT OUR LOCAL Y FOCUSING ON PRE AND POST SCREENINGS AND HEALTHY LIFESTYLE EDUCATIONAL KN OWLEDGE E) PARTNER WITH CLINICAL OUTCOMES GROUP, INC IN SUNBURY AND THE PA DEPARTMENT OF HEALTH TO PROMOTE YOUNG LUNGS AT PLAY, A PROGRAM DESIGNED TO PROVIDE AWARENESS OF THE EFFE CTS OF SECOND HAND SMOKE ON CHILDREN AND YOUTH THE HOSPITAL WILL HELP BRING THIS PROGRAM INTO PARKS, RECREATIONAL FACILITIES, BOROUGHS, TOWNSHIP AND COUNTIES BY PRESENTING YOUNG L UNGS AT PLAY WHEN NEEDED PROGRESS WE CONTINUE TO ADVOCATE FOR AREA FACILITIES, BOROUGHS, TOWNSHIPS ETC TO ADOPT THE YOUNG LUNGS AT PLAY F) DEVELOP AN IMPROVING HEALTHY BEHAVIORS TEAM COMPRISED OF KEY PERSONNEL FROM HOSPITAL SERVICE AREAS WITH THE EXPECTATION TO ENHAN CE OUR COMMUNITY'S EDUCATION, ACCESS AND AWARENESS OF HEALTHY BEHAVIORS TEAM PARTICIPANTS WOULD INCLUDE PERSONNEL FROM ADMINISTRATION, CENTER FOR BREAST HEALTH, NUTRITIONAL SERVI CES, FINANCE, CARDIAC REHABILITATION, COMMUNITY HEALTH, OUTPATIENT CLINIC, PULMONARY SERVI CES, FITNESS CENTER, CENTER FOR ORTHOPEDICS, DIABETIC EDUCATION, REHABILITATION SERVICES, WOMEN'S ADVISORY GROUP, AND MARKETING/PR 3) COMMUNITY DEVELOPMENT, SPECIFICALLY TRANSPORT ATION- BECAUSE OF THE RURAL NATURE OF OUR REGION, THE LACK OF TRANSPORTATION AND LIMITED T RANSLATION SERVICES CREATE MAJOR BARRIERS FOR COMMUNITY MEMBERS TO ACCESS HEALTHCARE AND O THER PRIMARY HEALTH RESOURCES IN OUR AREA THE ISSUE OF ENSURING ADEQUATE PUBLIC TRANSPORTA TION FOR VALLEY RESIDENTS IS A CONCERN FOR EVANGELICAL COMMUNITY HOSPITAL, ESPECIALLY AS T HE LACK OF TRANSPORTATION CREATES SIGNIFICANT BARRIERS FOR SOME RESIDENTS WHEN ATTEMPTING TO ACCESS HEALTHCARE RESIDENTS MAY HAVE THE ABILITY TO SCHEDULE APPOINTMENTS WITH HEALTHC ARE PROVIDERS, BUT MAY NEED TO CANCEL THOSE SAME APPOINTMENTS DUE TO THEIR INABILITY TO FI ND ADEQUATE TRANSPORTATION TO AND FROM AN APPOINTMENT THIS PRACTICE DISCOURAGES HEALTHCAR E PROVIDERS' (PHYSICIANS AND DENTISTS) ACCEPTANCE OF STATE FUNDED HEALTH INSURANCES DUE TO THE INABILITY OF THE UN/ UNDER INSURED TO KEEP THEIR SCHEDULED APPOINTMENTS SEE CONTINUAT ION BELOW

Form and Line Reference	Explanation
PART VI, LINE 3	AS A COMMUNITY HOSPITAL, EVANGELICAL IS DEDICATED TOIMPROVING THE HEALTH AND WELL-BEING OF ALL ITS CONSTITUENTS THROUGH THEFINANCIAL ASSISTANCE PROGRAM, MEDICAL CARE IS PROVIDED REGARDLESS OF APATIENT'S ABILITY TO PAY, INSUFFICIENT HEALTH INSURANCE OR WHETHER AGOVERNMENT-SPONSORED PROGRAM COVERS THE FULL COST OF SERVICES AND AS THECOUNTRY'S ECONOMIC FUTURE REMAINS UNCERTAIN, EVANGELICAL WILL CONTINUE TOPROVIDE CARE FOR THOSE WHO NEED IT EVANGELICAL WILL PROVIDE SERVICES AT NO CHARGE OR REDUCED CHARGES TO THOSEWHO ARE FINANCIALLY UNABLE TO PAY FOR THOSE SERVICES EVANGELICAL WILL NOT ARBITRARILY RESTRICT THE PROVISIONS OF HEALTHSERVICES TO CERTAIN INDIVIDUALS OR GROUPS EVANGELICAL COMMUNITY HOSPITAL'S REGISTRATION DEPARTMENT REPRESENTATIVESINFORM OUR UNINSURED OR UNDER INSURED PATIENTS, OF OUR FINANCIALASSISTANCE PROGRAM FINANCIAL ASSISTANCE APPLICATIONS ARE OFFERED TOTHESE PATIENTS AND IN ADDITION, THEY HAVE THE OPPORTUNITY TO CALL OURFINANCIAL COUNSELOR THE FINANCIAL COUNSELOR DISCUSSES THE AVAILABILITY OFVARIOUS GOVERNMENT BENEFITS SUCH AS MEDICAID OR STATE PROGRAMS TO ASSISTTHE PATIENT WITH QUALIFICATIONS FOR THESE PROGRAMS THE FINANCIALCOUNSELOR WILL ALSO ASSIST THE PATIENT IN COMPLETING THE PROPER PAPERWORKFOR ASSISTANCE THE FINANCIAL COUNSELORS AND CASE MANAGEMENT STAFF WORK CLOSELY TOIDENTIFY AND ASSIST ELIGIBLE PATIENTS OUR SELF-PAY VENDOR ALSO INFORMSTHE PATIENT THAT EVANGELICAL HAS A FINANCIAL ASSISTANCE PROGRAM AND AFINANCIAL COUNSELOR WHO WILL SEND THEM AN APPLICATION IF REQUESTED OURTHIRD PARTY VENDOR WORKS ON BEHALF OF THE ORGANIZATION TO FOLLOW THEHOSPITAL'S POLICIES REGARDING PATIENT NOTIFICATION AND THE AVAILABILITYOF FINANCIAL ASSISTANCE EVANGELICAL'S FINANCIAL ASSISTANCE POLICY ISPOSTED ON THE EVANGELICAL WEBSITE (HTTP //WWW EVANHOSPITAL COM/PATIENTS/INSURANCE/CHARITY-CARE)ALONG WITH AN APPLICATION FOR PATIENTS TO COMPLETE FOR FINANCIALASSISTANCE EVANGELICAL COMMUNITY HOSPITAL WILL MAKE AVAILABLE A WRITTEN NOTICE TOEACH PATIENT OR THEIR REPRESENTATIVE OF THE EXISTENCE, CRITERIA ANDMECHANISM FOR RECEIVING FINANCIAL ASSISTANCE THE HOSPITAL WILL CREATE ANDMAINTAIN RECORDS DEMONSTRATING THAT THE REQUIRED CRITERIA AND MECHANISMARE ESTABLISHED (HOSPITAL WILL RECORD ANY AND ALL REQUESTS FOR FINANCIALASSISTANCE, THE DISPOSITION AND THE DOLLAR AMOUNT OF EVANGELICAL'SFINANCIAL ASSISTANCE PROGRAM PROVIDED) IN ALL INSTANCES, PATIENTCONFIDENTIALITY WILL BE PROTECTED ELIGIBILITY WILL BE DETERMINED BY COMPARING HOUSEHOLD FAMILY INCOMEAGAINST THE INCOME POVERTY GUIDELINES INCOME IS DEFINED AS THE TOTAL ANNUAL CASH RECEIPTS BEFORE TAXES FROM ALL SOURCES AN INDIVIDUAL NOTICE OF AVAILABILITY OF EVANGELICAL'S FINANCIAL ASSISTANCEPROGRAM WILL BE GIVEN TO EACH PATIENT OR THEIR REPRESENTATIVE PRIOR TOSERVICES BEING RENDERED, WITH THE EXCEPTION OF EMERGENCY SERVICES THESENOTICES SHALL BE AVAILABLE IN ALL REGISTRATION AREAS OF THE HOSPITAL ANDSHALL INCLUDE THE MOST CURRENT AVAILABLE "HOUSEHOLD INCOME GUIDELINES" AS PUBLISHED IN THE FEDERAL REGISTER THE PATIENT ACCOUNTS DIRECTOR OR HIS/HER DESIGNEE SHALL REVIEW ALLAPPLICATIONS FOR THE EVANGELICAL FINANCIAL ASSISTANCE PROGRAM IT IS THEAPPLICANT'S RESPONSIBILITY TO PROVIDE PROOF OF INCOME WHEN LANGUAGE IS A BARRIER, EVANGELICAL OFFERS A SPECIAL INTERPRETERCONFERENCING TELEPHONE SERVICE INTERPRETATION SERVICES ARE AVAILABLE FORA MULTITUDE OF PATIENT/CAREGIVER INTERACTIONS WHEN A NON-ENGLISH SPEAKINGPATIENT, NO MATTER HIS OR HER NATIVE TONGUE, CALLS IN TO THE HOSPITAL, HEOR SHE WILL BE ABLE TO BE UNDERSTOOD THROUGH A TELEPHONE INTERPRETER THIS IS AVAILABLE FOR OUTBOUND CALLS TO THE PATIENT AS WELL THE PROCESSCONTRIBUTES TO IMPROVED PATIENT CARE AND CLINICAL OUTCOMES AND MAKES AVITAL DIFFERENCE IN THE QUALITY OF SERVICE EVANGELICAL IS ABLE TO PROVIDETO NON-ENGLISH SPEAKING PATIENTS

Form and Line Reference	Explanation
PART VI, LINE 4	EVANGELICAL COMMUNITY HOSPITAL (ECH) IS LOCATED IN LEWISBURG, PA (UNION COUNTY), THE HEART OF CENTRAL PA THE HOSPITAL IS CONVENIENTLY LOCATED OFF INTERSTATE 80 ON U S ROUTE 15 E CH SERVES THE RESIDENTS OF UNION, SNYDER & NORTHUMBERLAND COUNTIES AND SURROUNDING AREAS ECH IS THE 3RD LARGEST EMPLOYER IN UNION COUNTY WITH MORE THAN 1,200 EMPLOYEES ACCORDING TO THE HOSPITAL AND HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA, ECH'S TOTAL IMPACT ON THE RE GIONAL ECONOMY TOPS MORE THAN $180 MILLION ECH IS A 132 LICENSED-BED ACUTE CARE COMMUNITY HOSPITAL WITH OVER 1,200 EMPLOYEES AND NEARLY 200 MEDICAL STAFF MEMBERS ECH HAS A BUSY E MERGENCY DEPARTMENT WITH OVER 28,565 VISITS IN 2013 ECH HAS EARNED THE PATIENT SAFETY EXC ELLENCE AWARD FOUR OF THE PAST FIVE YEARS FROM HEALTHGRADES (A LEADING NATIONAL INDEPENDEN T HEALTHCARE RATINGS ORGANIZATION) THE PRIMARY SERVICE AREA OF RESIDENTS OF ECH INCLUDES 17810, 17812, 17843, 17813, 17730, 17827, 17829, 17831, 17876, 17833, 17835, 17837, 17749 , 17842, 17844, 17845, 17847, 17850, 17853, 17855, 17856, 17857, 17861, 17862, 17864, 1786 5, 17086, 17870, 17801, 17880, 17882, 17772, 17883, 17777, 17886, 17887, 17885, 17889 OUR SECONDARY SERVICE AREA IS FROM THE FOLLOWING ZIP CODES 16820, 17866, 17014, 17017, 17821 , 17823, 17830, 17737, 17834, 17836, 17045, 17840, 17747, 17832, 17049, 17841, 17062, 1775 2, 17851, 17756, 17860, 17080, 16872, 17867, 17868, 17872, 17877, 17881, 17884, 16882 THE REGION IS HOME TO SEVERAL COLLEGES, UNIVERSITIES AND TECHNICAL SCHOOLS AS WELL AS STRONG PUBLIC SCHOOL SYSTEMS IT HAS A VERY DIVERSE HISTORY AND RURAL APPEAL, YET FEATURES BUSINE SS AND HEALTHCARE FACILITIES USING THE LATEST ADVANCES IN SCIENCE AND TECHNOLOGY ADDITION AL HOSPITALS IN OUR REGION CONSIST OF GEISINGER MEDICAL CENTER, SUNBURY COMMUNITY HOSPITAL (FOR-PROFIT SYSTEM), SHAMOKIN AREA COMMUNITY HOSPITAL, SUSQUEHANNA HEALTH SYSTEM, AND BLO OMSBURG HOSPITAL ACCORDING TO THE MOST RECENT DATA FROM THE NEEDS ASSESSMENT, THE REGION IS PRIMARILY RURAL IN NATURE THIS DATA WAS REAFFIRMED DURING THE ASSESSMENT PROCESS THROU GH COMMUNITY LEADERS AND KEY STAKEOLDER INTERVIEWS AND FOCUS GROUP DISCUSSIONS FURTHERMOR E WITH THE RURAL NATURE OF OUR AREA AND THE LACK OF A COORDINATED AND INTEGRATED TRANSPORT ATION SYSTEM LIMITS COMMUNITY MEMBERS TO ACCESSIBLE HEALTH CARE AND RECREATIONAL OPPORTUNI TIES WITH THE LIMITATIONS OF ACCESSIBILITY TO HEALTHCARE AND HEALTHY OPTIONS LEADS TO UNH EALTHY LIFESTYLES AND OVER USE OF OUR EMERGENCY DEPARTMENT SERVICES CITY-DATA COM FOR UNI ON COUNTY INDICATES THAT THE POPULATION CONSISTS OF WHITE NON-HISPANIC (85 2%), BLACK (6 8%), HISPANIC (5 2%), TWO OR MORE RACES (1 2%), AND ASIAN ALONE (1 2%) THE MEDIAN RESIDEN T AGE IS 38 0 ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2009 $49,803, RESIDENTS WITH INCOME B ELOW THE POVERTY LEVEL IN 2009 8 8%, PERSONS ENROLLED IN HOSPITAL INSURANCE AND/OR SUPPLE MENTAL MEDICAL INSURANCE (MEDICARE) IN JULY 1, 2003 6,234 (5,612 AGED, 622 DISABLED), POP ULATION WITHOUT HEALTH INSURANCE COVERAGE IN 2000 11%, CHILDREN UNDER 18 WITHOUT HEALTH I NSURANCE COVERAGE IN 2000 9%, 89 6% OF RESIDENTS OF UNION COUNTY SPEAK ENGLISH AT HOME, 3 7% OF RESIDENTS SPEAK SPANISH AT HOME, 5 7% OF RESIDENTS SPEAK OTHER INDO-EUROPEAN LANGUA GE AT HOME, 0 8% OF RESIDENTS SPEAK ASIAN OR PACIFIC ISLAND LANGUAGE AT HOME, 0 2% OF RESI DENTS SPEAK OTHER LANGUAGE AT HOME CITY-DATA COM FOR SNYDER COUNTY INDICATES THE POPULATIO N CONSISTS OF WHITE NON-HISPANIC (96 4%), HISPANIC (1 4%), BLACK (1 0%), THE MEDIAN RESID ENT AGE IS 36 7 ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2009 $44,426 RESIDENTS WITH INCOME BELOW THE POVERTY LEVEL IN 2009 9 9%, PERSONS ENROLLED IN HOSPITAL INSURANCE AND/OR SUPPL EMENTAL MEDICAL INSURANCE (MEDICARE) IN JULY 1, 2003 6,148 (5,230 AGED, 918 DISABLED), PO PULATION WITHOUT HEALTH INSURANCE COVERAGE IN 2000 9%, CHILDREN UNDER 18 WITHOUT HEALTH I NSURANCE COVERAGE IN 2000 8%, 92 0% OF RESIDENTS OF SNYDER COUNTY SPEAK ENGLISH AT HOME, 1 5% OF RESIDENTS SPEAK SPANISH AT HOME, 6 3% OF RESIDENTS SPEAK OTHER INDO-EUROPEAN LANGU AGE AT HOME, 0 2% OF RESIDENTS SPEAK ASIAN OR PACIFIC ISLAND LANGUAGE AT HOME, 0 1% OF RES IDENTS SPEAK OTHER LANGUAGE AT HOME CITY-DATA COM FOR NORTHUMBERLAND COUNTY INDICATES THAT THE POPULATION CONSISTS OF WHITE NON-HISPANIC (95 5%), BLACK (2 0%), HISPANIC (1 8%), TW O OR MORE RACES (0 5%), ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2009 $37,602, RESIDENTS WITH INCOME BELOW THE POVERTY LEVEL IN 2009 11 9%, PERSONS ENROLLED IN HOSPITAL INSURANCE AND /OR SUPPLEMENTAL MEDICAL INSURANCE (MEDICARE) IN JULY 1, 2003 19,762 (16,930 AGED, 2,832 DISABLED), POPULATION WITHOUT HEALTH INSURANCE COVERAGE IN 2000 10%, CHILDREN UNDER 18 WI THOUT HEALTH INSURANCE COVERAGE IN 2000 8%, 95 6% OF RESIDENTS OF NORTHUMBERLAND COUNTY S PEAK ENGLISH AT HOME, 1 5% OF RESIDENTS SPEAK SPANISH AT HOME, 2 6% OF RESIDENTS SPEAK OTH ER INDO-EUROPEAN LANGUAGE AT HOME, 0 3% OF RESIDENTS SPEAK ASIAN OR PACIFIC ISLAND LANGUAG E AT HOME, 0 1% OF RESIDENTS SPEAK OTHER LANGUAGE

Form and Line Reference	Explanation
PART VI, LINE 4	AT HOME ECH OPERATES AN EMERGENCY DEPARTMENT THAT IS OPEN TO ALL PERSONS REGARDLESS OF THE IR ABILITY TO PAY FOR SERVICES WE HAVE OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO AL L QUALIFIED PHYSICIANS IN THE AREA ECH HAS A BOARD OF DIRECTORS IN WHICH INDEPENDENT COMM UNITY PERSONS ARE REPRESENTED ECH IS AFFILIATED WITH HEALTHCARE FACILITIES, SUCH AS GEISI NGER MEDICAL CENTER, TO PROVIDE THE BEST MEDICAL CARE FOR OUR PATIENTS ECH WORKS WITH THE FOLLOWING ORGANIZATIONS PENN COLLEGE, CENTRAL SUSQUEHANNA INTERMEDIATE UNIT, BLOOMSBURG UNIVERSITY, AND THOMAS JEFFERSON UNIVERSITY TO ENGAGE IN TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS ECH PROVIDES FINANCIAL AID TO SUPPORT STUDENTS CHOOSING THE NURSING PR OFESSION THROUGH THE MAE KEEFER AND CRYSTAL SNYDER NURSING SCHOLARSHIP FUND ECH PARTICIPAT ES WITH THE FOLLOWING MAJOR HEALTH PLANS CAPITAL BLUE CROSS, GEISINGER HEALTH PLAN, HIGHM ARK BLUESHIELD, HEALTHAMERICA/HEALTH ASSURANCE, KEYSTONE HEALTH PLAN CENTRAL, AND MEDICARE THE SECONDARY DATA COLLECTION FINDINGS FROM THE MOST RECENT COMMUNITY HEALTH NEEDS ASSESS MENT SUMMARIZES THE FOLLOWING WITH REGARD TO DEMOGRAPHICS AND THE NEEDS OF THE COMMUNITY EVANGELICAL SERVICE AREA SHOWS A SLIGHT DECLINE IN POPULATION OVER THE PAST FIVE YEARS WHI LE PENNSYLVANIA, AS A STATE, SHOWS A SLIGHT INCREASE KEY FINDINGS ANNUAL AVERAGE INCOME IN OUR SERVICE AREA IS $53,064 NORTHUMBERLAND COUNTY HAS THE LOWEST AVERAGE INCOME AT $45 ,871 AVERAGE INCOME IN ALL OF PENNSYLVANIA IS $64,000 16 6% OF EVANGELICAL'S SERVICE AREA IS REPORTED AS NOT HAVING A HIGH SCHOOL DIPLOMA THIS IS FOUR POINTS HIGHER THAN THE STAT E AVERAGE OF 12 6% ACCORDING TO THE COUNTY HEALTH RANKINGS EVANGELICAL SHOWS A POOR RANKI NG IN THE FOLLOWING CATEGORIES EMPLOYMENT, EDUCATION AND DIET AND EXERCISE WE KNOW THAT THESE THREE FACTORS ARE HIGHLY CORRELATED I E POOR EMPLOYMENT CAN LEAD TO LOWER INCOME W HICH CAN THEN LEAD TO FEWER OPTIONS FOR GOOD EDUCATIONAL OPPORTUNITIES AND THEREFORE POORE R HEALTH DECISIONS IN TERMS OF DIET AND EXERCISE WHEN COMPARED TO THE REST OF THE STATE A ND EVEN THE UNITED STATES AS A WHOLE, EVANGELICAL SHOWS VERY LITTLE DIVERSITY WITH ONLY 5 1% OF THE POPULATION IDENTIFYING AS A RACE/ETHNICITY OTHER THAN WHITE, NON-HISPANIC PENNS YLVANIA IS AT 19 6% AND THE UNITED STATES AT 35% SUNBURY AND ALLENWOOD SCORED THE HIGHEST IN THE COMMUNITY NEED INDEX, MEANING THEY HAVE THE MOST BARRIERS TO COMMUNITY HEALTH CARE ACCESS SUNBURY SHOWED VERY HIGH RATES OF INDIVIDUALS LIVING IN POVERTY, 65 AND OLDER (11 %), FAMILIES WITH MARRIED INDIVIDUALS WITH CHILDREN (17%), AND FAMILIES WITH SINGLE INDIVI DUALS WITH CHILDREN (50%) ALLENWOOD SHOWS THE HIGHEST UNEMPLOYMENT RATE AT 17%, BUT THIS COULD BE MISLEADING DUE TO A FEDERAL PRISON BEING LOCATED IN THAT TOWN TURBOTVILLE SHOWS THE LOWEST UNEMPLOYMENT RATE (4%) AND LOWEST RATE OF INDIVIDUALS LIVING IN POVERTY, 65 AND OLDER (9%), MARRIED WITH CHILDREN LIVING IN POVERTY (5%) AND SINGLE LIVING WITH CHILDREN IN POVERTY (8%) ACCORDING TO THE COUNTY HEALTH RANKINGS (PENNSYLVANIA'S COUNTIES ARE RANK ED 1 THROUGH 67 1 BEING THE BEST SCORE AND 67 BEING THE WORST) UNION AND SNYDER COUNTIES RANKED IN THE TOP 5 FOR HEALTH OUTCOMES WHILE NORTHUMBERLAND COUNTY RANKED IN THE BOTTOM 1 5 FOR HEALTH OUTCOMES UNION COUNTY WAS NAMED THE HEALTHIEST COUNTY AND RANKED NUMBER ONE IN QUALITY OF CARE ACCORDING TO THE 2011 COUNTY HEALTH RANKINGS CONSEQUENTLY, UNION COUNT Y RANKED IN THE BOTTOM FIVE FOR ITS BUILT ENVIRONMENT WHICH REFERS TO ACCESS TO RECREATION AL FACILITIES, LIMITED ACCESS TO HEALTHY FOODS AND NUMBER OF FAST FOOD RESTAURANTS TOBACC O USE IN EVANGELICAL'S SERVICE AREA RANKED AS FOLLOWS, NORTHUMBERLAND COUNTY WAS 54 OUT OF 67 COUNTIES, UNION COUNTY WAS 38 OUT OF 67 AND SNYDER COUNTY CAME IN AT THE LOWEST WITH A RANKING OF 16 OUT OF 67 WITH REGARD TO ALCOHOL USE EVANGELICAL'S SERVICE AREA RANKED AS FOLLOWS, NORTHUMBERLAND COUNTY, 38, UNION COUNTY, 19 , AND SNYDER COUNTY, NUMBER 1 (OUT OF 67)

Form and Line Reference	Explanation
PART VI, LINE 5	EVANGELICAL COMMUNITY HOSPITAL HAS A TOTAL OF 132 PATIENT BEDS AND 18 BASSINETS THERE ARE NEARLY 200 PHYSICIANS ON STAFF, AND NEARLY 900 CLINICAL EMPLOYEES, INCLUDING LAB TECHNICIANS, NURSES, NURSING ASSISTANCES, PHYSICAL, OCCUPATIONAL AND SPEECH THERAPISTS, RADIOLOGY TECHNICIANS, PHLEBOTOMISTS, AND SUPPORT PERSONNEL EACH OF THESE PROFESSIONALS IS HIGHLY TRAINED TO DELIVER QUALITY AND SAFE CARE TO INPATIENTS AND OUTPATIENTS THE HOSPITAL HAS 1) AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE SUSQUEHANNA VALLEY REGION,2) A BOARD OF DIRECTORS WHO GOVERN THE ORGANIZATION THE BOARD IS COMPRISED OF COMMUNITY AND BUSINESS LEADERS, AND PHYSICIANS REPRESENTING THE GEOGRAPHIC AREA OF OUR REGION,3) AN EMERGENCY DEPARTMENT THAT IS OPEN TO ALL PERSONS IN NEED REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES,4) A HOSPICE PROGRAM THAT PROVIDES END-OF-LIFE CARE TO ALL PERSONS REGARDLESS OF THEIR ABILITY TO PAY FOR CARE,5) A BIOETHICS COMMITTEE COMPRISED OF VOLUNTEERS WHO ARE PHYSICIANS, NURSES, SOCIAL SERVICE WORKERS, PASTORAL CAREGIVERS, EDUCATORS, AND OTHER PROFESSIONALS THEY DISCUSS AND ADDRESS ETHICAL ISSUES AND DILEMMAS THAT ARE PRESENTED FOR REVIEW,6) A HISTORY OF PROVIDING FINANCIAL SUPPORT TO OTHER NONPROFIT ORGANIZATIONS FOR THE PURPOSE OF HEALTH PROMOTION AND IN COLLABORATING TO MEET UNMET NEEDS IN THE COMMUNITY 7) A COMMUNITY HEALTH AND WELLNESS DEPARTMENT THAT IS FUNDED USING HOSPITAL RESOURCES THE DEPARTMENT INITIATES AND ORGANIZES PREVENTION, WELLNESS AND HEALTH EDUCATION LECTURES, EVENTS AND ACTIVITIES DEVELOPED FOR THE SOLE PURPOSE OF IMPROVING THE HEALTH OF THOSE IN OUR REGION THE COMMUNITY HEALTH AND WELLNESS TEAM OFFERS HEALTH SCREENINGS, HEALTH FAIRS, LECTURES, SUPPORT GROUPS, FLU SHOTS, AND SAFETY INSPECTIONS IN 2012, THE COMMUNITY HEALTH AND WELLNESS STAFF PROVIDED MORE THAN 950 FLU VACCINATIONS AND CERTIFIED MORE THAN 3350 IN FIRST AID AND CPR, INCLUDING 68 YOUTH, WHO ATTENDED OUR SAFE SITTER BABYSITTING PROGRAM EVANGELICAL COMMUNITY HOSPITAL HAS AN OPEN MEDICAL STAFF THAT SUPPORTS THE COMMUNITY HEALTH CARE NEEDS THE HOSPITAL IS SUPPORTIVE OF ITS EMPLOYEES TO BE INVOLVED IN THE COMMUNITY ORGANIZATIONS TO SUPPORT AND TO BE A PART OF ADDRESSING THE NEEDS OF THE COMMUNITY SURPLUS FUNDS OF THE HOSPITAL ARE USED TO DEVELOP EMPLOYEES AND FURTHER EDUCATE STAFF TO KEEP UP WITH THE EVER CHANGING HEALTHCARE TECHNOLOGY AND NEW TREATMENT PLANS FOR DISEASES, AS WELL AS CAPITAL NEEDS OF THE ORGANIZATION TO KEEP THE NECESSARY NEW MEDICAL EQUIPMENT AVAILABLE TO BETTER TREAT THE PATIENTS OF THE COMMUNITY

Form and Line Reference	Explanation
PART VI, LINE 6	THE ORGANIZATION IS PART OF AN AFFILIATED HEALTH CARE SYSTEM DUE TO THE HOSPITAL HAVING COMMON GOVERNANCE AND CONTROL FOR EVANGELICAL MEDICAL SERVICES ORGANIZATION AND EVANGELICAL COMMUNITY HOSPITAL HOMECARE PRODUCTS EVANGELICAL MEDICAL SERVICES ORGANIZATION PROVIDE HEALTHCARE SERVICES IN THE FORM OF PRIMARY AND SPECIALTY CARE PHYSICIANS TO THE COMMUNITY HOMECARE PRODUCTS PROVIDED DURABLE MEDICAL EQUIPMENT AND OXYGEN TO SUPPORT THE COMMUNITY NEEDS EVANGELICAL AMBULATORY SURGICAL CENTER IS AN OUTPATIENT SURGICAL CENTER THAT PROVIDES SERVICES TO PATIENTS OF THE COMMUNITY

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

Form and Line Reference	Explanation
PART VI LINE 2 CONTINUATION	IN RESPONSE TO THIS IDENTIFIED NEED, HOSPITAL ADMINISTRATION HAS PROVIDED TIME DURING BUSINESS HOURS FOR A MEMBER OF THE COMMUNITY BENEFIT COMMITTEE TO SERVE ON THE REGIONAL NORTH CENTRAL PA PUBLIC TRANSPORTATION TASK FORCE THE REPRESENTATIVE HAS BEEN SERVING AS A MEMBER OF THIS COMMITTEE SINCE 2012 IN ADDITION, KEY PERSONNEL IN SOCIAL SERVICES, CASE MANAGEMENT AND THE EMERGENCY DEPARTMENT ARE WORKING TOGETHER TO ADDRESS TRANSPORTATION ISSUES AS THEY RELATE TO PATIENTS WHO COME TO THE HOSPITAL FOR EMERGENT OR SCHEDULED CARE, BUT ARE UNABLE TO RETURN HOME DUE TO THE LACK OF TRANSPORTATION A SPECIAL FUND HAS BEEN ESTABLISHED FOR THIS PURPOSE MAKING TAXI FARE AVAILABLE TO THESE PATIENTS WHEN NEEDED IN ADDITION, THE REPRESENTATIVES OF THE HOSPITAL WILL CONTINUE TO ADVOCATE AND SUPPORT EFFORTS IN OUR COMMUNITY TO ADDRESS AND SOLVE THE MOST URGENT TRANSPORTATION NEEDS IN THE VALLEY, ESPECIALLY AS THEY RELATE TO THOSE WHO HAVE DIFFICULTY ACCESSING HEALTHCARE DUE TO LACK OF TRANSPORTATION HOWEVER, A SPECIAL SUBCOMMITTEE OF THE COMMUNITY BENEFITS COMMITTEE, SUCH AS THOSE FOR IMPROVING ACCESS TO HEALTHCARE OR IMPROVING HEALTHY BEHAVIORS, WILL NOT BE DEVELOPED AND STAFFED FOR THE PURPOSE OF ADDRESSING TRANSPORTATION NEEDS

Additional Data

Software ID:
Software Version:
EIN: 24-0795411
Name: EVANGELICAL COMMUNITY HOSPITAL

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
EVANGELICAL COMMUNITY HOSPITAL	PART V, SECTION B, LINE 3 IN 2012, EVANGELICAL COMMUNITY HOSPITAL PARTICIPATED IN A FIVE-COUNTY (SNYDER, UNION, MONTOUR, NORTHUMBERLAND AND COLUMBIA) COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) LED BY ACTION HEALTH TRIPP UMBACH WAS SELECTED TO CONDUCT THE ASSESSMENT AND REPORT ON THE FINDINGS THE ASSESSMENT CONSISTED OF INTERVIEWS WITH KEY COMMUNITY STAKEHOLDERS AND FOCUS GROUPS FOCUS GROUP PARTICIPANTS FOR EVANGELICAL'S SERVICES AREA CONSISTED OF HEALTHCARE PROVIDERS, RESIDENTS FROM THE LATINO COMMUNITY AND UN/UNDER-INSURED RESIDENTS KEY COMMUNITY STAKEHOLDER INTERVIEWS CONSISTED OF LEADERS FROM ORGANIZATIONS SUCH AS AGENCY ON AGING, PA DEPARTMENT OF HEALTH, AMERICAN CANCER SOCIETY, FAITH-BASED ORGANIZATIONS, LOCAL SCHOOLS AND UNIVERSITIES, BUSINESSES AND NONPROFIT ORGANIZATIONS

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
EVANGELICAL COMMUNITY HOSPITAL	PART V, SECTION B, LINE 4 IN 2012, EVANGELICAL COMMUNITY HOSPITAL PARTICIPATED IN A FIVE-COUNTY (SNYDER, UNION, MONTOUR, NORTHUMBERLAND AND COLUMBIA) COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) THE ASSESSMENT PROCESS WAS LED BY ACTION HEALTH, AN ORGANIZATION THAT FOSTERS COLLABORATION BETWEEN HOSPITALS AND LOCAL EDUCATIONAL INSTITUTIONS FOR THE PURPOSE OF MEETING THE HEALTH NEEDS OF THE COMMUNITY THE OTHER FACILITIES THAT WERE INVOLVED WERE GEISINGER, GEISINGER-SHAMOKIN AREA COMMUNITY HOSPITAL, BLOOMSBURG HOSPITAL AND BLOOMSBURG UNIVERSITY

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
EVANGELICAL COMMUNITY HOSPITAL	PART V, SECTION B, LINE 7 THE THIRD AND FINAL MOST PRESSING NEED IDENTIFIED THROUGH THE 2012 CHNA WAS THE NEED FOR ADEQUATE PUBLIC TRANSPORTATION - THIS HAS NOT BEEN FULLY ADDRESSED BY THE HOSPITAL THE ISSUE OF ENSURING ADEQUATE PUBLIC TRANSPORTATION FOR VALLEY RESIDENTS IS A CONCERN FOR THE HOSPITAL IN RESPONSE TO THIS IDENTIFIED NEED, HOSPITAL ADMINISTRATION HAS PROVIDED TIME DURING BUSINESS HOURS FOR A MEMBER OF THE COMMUNITY BENEFIT COMMITTEE TO SERVE ON THE REGIONAL NORTH CENTRAL PA PUBLIC TRANSPORTATION TASK FORCE IN ADDITION, KEY PERSONNEL IN SOCIAL SERVICES, CASE MANAGEMENT AND THE EMERGENCY DEPARTMENT ARE WORKING TOGETHER TO ADDRESS TRANSPORTATION ISSUES AS THEY RELATE TO PATIENTS WHO COME TO THE HOSPITAL FOR EMERGENT OR SCHEDULED CARE, BUT ARE UNABLE TO RETURN HOME DUE TO THE LACK OF TRANSPORTATION A SPECIAL FUND HAS BEEN ESTABLISHED FOR THIS PURPOSE MAKING TAXI-FARE AVAILABLE TO THESE PATIENTS WHEN NEEDED REPRESENTATIVES OF THE HOSPITAL WILL CONTINUE TO ADVOCATE AND SUPPORT EFFORTS IN OUR COMMUNITY TO ADDRESS AND SOLVE THE MOST URGENT TRANSPORTATION NEEDS IN THE VALLEY, ESPECIALLY AS THEY RELATE TO THOSE WHO HAVE DIFFICULTY ACCESSING HEALTHCARE DUE TO LACK OF TRANSPORTATION HOWEVER, A SPECIAL SUBCOMMITTEE OF THE COMMUNITY BENEFITS COMMITTEE WILL NOT BE DEVELOPED AND STAFFED FOR THE PURPOSE OF ADDRESSING TRANSPORTATION NEEDS

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
EVANGELICAL COMMUNITY HOSPITAL	PART V, SECTION B, LINE 12I MEDICAL ASSISTANCE DENIAL

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
EVANGELICAL COMMUNITY HOSPITAL	PART V, SECTION B, LINE 14G POLICY IS PRESENTED TO PATIENTS BY HRSI WHEN WORKING WITH PATIENTS ON MEDICAL ASSISTANCE APPLICATIONS HRSI IS A THIRD PARTY USED BY EVANGELICAL COMMUNITY HOSPITAL TO WORK WITH PATIENTS FOR OBTAINING FINANCIAL ASSISTANCE

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
EVANGELICAL COMMUNITY HOSPITAL	PART V, SECTION B, LINE 20D PATIENTS ARE CHARGED THE FULL AMOUNT AND THEN CHARITY CARE DISCOUNT IS APPLIED AS AN ADJUSTMENT

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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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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

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

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

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) SCHOLARSHIPS	27	77,100		CASH	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
PART I, LINE 2	APPLICANTS MUST APPLY FOR NURSING AND TRAINING DEPARTMENT SCHOLARSHIPS APPLICATIONS ARE REVIEWED BY A COMMITTEE TO DETERMINE IF THE APPLICANTS MEET THE ELIGIBILITY REQUIREMENTS APPLICANTS ARE REVIEWED BASED ON COMMUNITY SERVICE AND/OR EXTRA CURRICULAR ACTIVITIES, ACADEMIC STANDING, QUALITY OF ESSAY, FINANCIAL NEED, ETC

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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
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 4B	THE FOLLOWING INDIVIDUALS RECEIVED A DISTRIBUTION FROM A SUPPLMENTAL NONQUALIFIED RETIREMENT PLAN MICHAEL O'KEEFE - $347,261 KENDRA AUCKER - $119,169 PAUL TARVES - $64,058 DALE MOYER - $51,176 THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLMENTAL NONQUALIFIED RETIREMENT PLAN MICHAEL O'KEEFE - $73,812 J LAWRENCE GINSBURG - $47,790 KENDRA AUCKER - $28,056 PAUL TARVES - $18,600 DALE MOYER - $16,406 JAMES STOPPER - $10,145
PART I, LINE 7	THE EXECUTIVE TEAM IS ELIGIBLE TO RECEIVE A BONUS (BASED ON A % OF SALARY) WHEN THEIR INDIVIDUAL GOALS ARE MET FOR THE YEAR GOALS ARE SET FOR EACH INDIVIDUAL BASED ON FINANCIAL AND OPERATIONAL RESULTS THESE GOALS ARE REVIEWED AND APPROVED BY THE EXECUTIVE COMPENSATION COMMITTEE

Additional Data

Software ID:
Software Version:
EIN: 24-0795411
Name: EVANGELICAL COMMUNITY HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(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				
MICHAEL N O'KEEFE PRESIDENT/CEO (NON-VOTING)	(I) (II)	345,020 0	25,000 0	347,261 0	86,408 0	11,616 0	815,305 0	226,366 0
JOHN E RICE MD DIRECTOR/PHYSICIAN	(I) (II)	0 239,100	0 0	0 0	0 4,782	0 19,858	0 263,740	0 0
TODD STEFAN MD EX-OFFICIO (NON-VOTING)/PHYSICIAN	(I) (II)	0 448,903	0 17,857	0 0	0 8,978	0 19,858	0 495,596	0 0
KENDRA A AUCKER CHIEF OPERATING OFFICER	(I) (II)	380,630 0	39,083 0	119,169 0	37,956 0	11,545 0	588,383 0	79,745 0
JAMES A STOPPER CHIEF FINANCIAL OFFICER	(I) (II)	227,802 0	27,433 0	0 0	18,810 0	17,118 0	291,163 0	0 0
J LAWRENCE GINSBURG VP MEDICAL AFFAIRS	(I) (II)	373,060 0	30,103 0	0 0	61,064 0	11,545 0	475,772 0	0 0
PAUL E TARVES VP OF NURSING	(I) (II)	249,369 0	19,280 0	64,058 0	23,257 0	17,118 0	373,082 0	51,300 0
DALE E MOYER CHIEF INFORMATION OFFICER	(I) (II)	214,556 0	16,795 0	51,176 0	22,858 0	17,081 0	322,466 0	44,299 0
MARK K KRAMMES CHIEF CRNA	(I) (II)	238,119 0	0 0	0 0	9,800 0	17,118 0	265,037 0	0 0
SANDRA S WALKER NURSE ANESTHETIST	(I) (II)	202,336 0	0 0	0 0	8,112 0	298 0	210,746 0	0 0
LORI K GOODLING NURSE ANESTHETIST	(I) (II)	194,819 0	0 0	0 0	3,926 0	5,840 0	204,585 0	0 0
ROSEMARY S BURG NURSE ANESTHETIST	(I) (II)	193,433 0	0 0	0 0	2,636 0	11,545 0	207,614 0	0 0
COLLEEN A FRITZ NURSE ANESTHETIST	(I) (II)	189,506 0	0 0	0 0	7,803 0	11,545 0	208,854 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	UNION COUNTY HOSPITAL AUTHORITY	23-2739624		10-24-2013	19,694,697	CAPITAL IMPROVEMENTS, REFINANCE 2004 BONDS, ISSUANCE COSTS		X		X		X
B	UNION COUNTY HOSPITAL AUTHORITY	23-2739624	906460DJ6	03-03-2011	30,235,000	SERIES OF 2011 BONDS - FUND CONSTRUCTION & REFUND OUTSTANDING 2009 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	160,000	3,875,000		
2	Amount of bonds legally defeased				
3	Total proceeds of issue	19,694,697	29,719,008		
4	Gross proceeds in reserve funds		2,252,124		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	19,486,977			
7	Issuance costs from proceeds	207,720	377,544		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds		27,089,340		
12	Other unspent proceeds				
13	Year of substantial completion	2013	2012		

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 %		0 %				
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 320 %		0 320 %				
6	Total of lines 4 and 5		0 320 %		0 320 %				
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
SCHEDULE K, PART II, LINE 3	TOTAL PROCEEDS OF ISSUE FOR BOND B ARE LESS THAN THE ISSUE PRICE LISTED IN PART I DUE TO THE UNDERWRITER'S DISCOUNT OF $241,880

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JOHN D GRIFFITH	DIRECTOR OF THE BOARD	450,091	JOHN D GRIFFITH LEASES PROPERTY TO THE HOSPITAL AT AN ARM'S LENGTH TRANSACTION		No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

Return Reference	Explanation
FORM 990, PART III, LINE 2	THE HOSPITAL ACQUIRED SUN ORTHOPAEDIC GROUP'S PHYSICAL THERAPY BUSINESS LINE

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	JAMES APPLE IS THE FATHER OF TIM APPLE AND BOTH SERVE ON THE BOARD ROBERT GRONLUND IS THE FATHER OF BROOKS GRONLUND AND BOTH SERVE ON THE BOARD

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3	MANAGEMENT SERVICES FOR THE WOUND AND HYBERBARIC OXYGEN THERAPY ("HBOT") DEPARTMENT WERE OUTSOURCED TO DIVERSIFIED CLINICAL SERVICES

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	FORM 990 WAS REVIEWED BY THE FINANCE DEPARTMENT AND THE AUDIT COMMITTEE OF THE BOARD AT AN AUDIT COMMITTEE MEETING PRIOR TO FILING THEY WILL HAVE THE OPPORTUNUITY TO ASK QUESTIONS AND CHANGES CAN BE MADE AS A RESULT IF NECESSARY BEFORE THE RETURN IS FILED

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	A CONFLICT OF INTEREST STATEMENT IS REQUIRED TO BE SIGNED ANNUALLY BY ALL VOTING BOARD MEMBERS, UPPER MANAGEMENT, AND KEY EMPLOYEES THE HUMAN RESOURCES DEPARTMENT MONITORS COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY BY VERIFYING ALL FORMS ARE COMPLETED AND SIGNED HR MAINTAINS COPIES OF ALL COMPLETED CONFLICT OF INTEREST STATEMENTS MEMBERS WITH CONFLICTS ARE REQUIRED TO ABSTAIN FROM VOTING OR BEING A PART OF ACTIVE DISCUSSIONS WHERE THEY ARE IN DIRECT CONFLICT ANY ONE IN VIOLATION OF THE CONFLICT OF INTEREST POLICY IS ASKED TO STEP DOWN FROM THE BOARD

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE BOARD'S EXECUTIVE COMPENSATION COMMITTEE, WHICH IS COMPOSED SOLELY OF INDEPENDENT MEMBERS OF THE BOARD, HAS ADOPTED AND FOLLOWS A PROCESS FOR REVIEWING AND DETERMINING THE COMPENSATION OF THE CEO AND THE EXECUTIVE MANAGEMENT TEAM THE EXECUTIVE MANAGEMENT TEAM CONSISTS OF THE FOLLOWING POSITIONS CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, VICE PRESIDENT OF MEDICAL AFFAIRS, VICE PRESIDENT - NURSING, ASSOCIATED VICE PRESIDENT - DEVELOPMENT, VICE PRESIDENT - HUMAN RESOURCES, CHIEF INFORMATION OFFICER, ASSOCIATE VICE PRESIDENT - SUBSIDIARY OPERATIONS THE COMMITTEE HAS ENGAGED AN INDEPENDENT COMPENSATION CONSULTANT TO PROVIDE INFORMATION AND ADVICE TO THE COMMITTEE, INCLUDING BUT NOT LIMITED TO, PROVIDING INDEPENDENT COMPENSATION COMPARABILITY DATA FOR FUNCTIONALLY COMPARABLE POSITIONS IN SIMILARLY SITUATED HOSPITALS THE DATA IS PROVIDED ON AN ANNUAL BASIS AND IS REVIEWED BY THE COMMITTEE, ALONG WITH OTHER INFORMATION, PRIOR TO APPROVING ANY CHANGES TO COMPENSATION THE INDEPENDENCE OF THE COMMITTEE'S MEMBERS IS REVIEWED AND VERIFIED PRIOR TO THE START OF THE ANNUAL COMPENSATION REVIEW PROCESS SHOULD A CONFLICT PRESENT, THOSE INDIVIDUALS WITH ACTUAL OR PERCEIVED CONFLICTS ABSTAIN FROM VOTING UNTIL SUCH TIME AS THE CONFLICT CAN BE RESOLVED OR A REPLACEMENT MEMBER IS APPOINTED TO THE COMMITTEE THE COMMITTEE'S DELIBERATIONS AND DECISIONS ARE GUIDED BY A WRITTEN COMPENSATION PHILOSOPHY AND DOCUMENTED THROUGH WRITTEN MINUTES TAKEN DURING EACH MEETING THE MINUTES INCLUDE, AMONG OTHER THINGS, THE WRITTEN MATERIALS DISTRIBUTED OR PRESENTED DURING THE MEETING AND THE SPECIFIC DECISIONS TAKEN AT THE MEETING THE LAST REVIEW TOOK PLACE IN 2014

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

Return Reference	Explanation
FORM 990, PART VI, LINE 1	THE EXECUTIVE COMMITTEE OF THE BOARD IS COMPRISED OF THE CHAIRPERSON, THE VICE-CHAIRPERSON OF THE BOARD, THE IMMEDIATE PAST CHAIRPERSON OF THE BOARD, THE CHAIR OF THE FINANCE COMMITTEE AND THE PRESIDENT OF THE MEDICAL STAFF NO PERSON IS ELIGIBLE TO SERVE ON THE EXECUTIVE COMMITTEE IN MORE THAN ONE CAPACITY IN THE EVENT THAT ANY PERSON IS ELIGIBLE TO SERVE ON THE EXECUTIVE COMMITTEE IN MORE THAN ONE CAPACITY, THE CHAIRPERSON SHALL NOMINATE ANOTHER BOARD MEMBER TO SERVE ON THE EXECUTIVE COMMITTEE. THE EXECUTIVE COMMITTEE SHALL INCLUDE AT LEAST ONE PHYSICIAN WHO IS A BOARD MEMBER THE PRESIDENT SHALL SERVE AS AN EX-OFFICIO MEMBER OF THE EXECUTIVE COMMITTEE WITHOUT A VOTE. THE EXECUTIVE COMMITTEE IS EMPOWERED TO ACT FOR THE BOARD IN THE GOVERNANCE OF ECH BETWEEN REGULAR MEETINGS OF THE BOARD, WHEN SUCH ACTION IS REQUIRED FOR THE TIMELY CONDUCT OF ECH BUSINESS, EXCEPT THE FOLLOWING 1) SUCH POWERS AS MAY BY LAW OR THESE BYLAWS BE REQUIRED TO BE EXERCISED BY THE BOARD 2) SUCH POWERS AS THE BOARD MAY BY RESOLUTION EXPRESSLY RESERVE TO ITSELF 3) THE PURCHASE OR SALE OF REAL PROPERTY, 4) HIRING OR TERMINATING THE EMPLOYMENT OF THE PRESIDENT, 5) AMENDING OR REVISING THE BOARD APPROVED BUDGET, 6) TAKING ANY ACTION WHICH IS A "FUNDAMENTAL CHANGE" WITHIN THE MEANING OF CHAPTER 59 OF THE NONPROFIT CORPORATION LAW OF 1988 (OR ANY SIMILAR SUCCESSOR STATUTE), 7) THE BORROWING OF MONEY, 8) COMMITMENTS OR EXPENDITURES GREATER THAN $500,000

Return Reference	Explanation
FORM 990, PART XI, LINE 9	CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENT 33,439 VALUATION GAIN 402,348 POSTRETIREMENT BENEFIT LIABILITY ADJUSTMENT -666,975 NET TRANSFERRS WITH AFFILIATES -6,672,620

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
EVANGELICAL COMMUNITY HOSPITAL

Employer identification number
24-0795411

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
(1) EVANGELICAL AMBULATORY SURGICAL CENTER 210 JPM ROAD LEWISBURG, PA 17837 23-3021240	HEALTHCARE - SURGERY	PA	1,325,382	833,048	EVANGELICAL COMMUNITY HOSPITAL

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

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) Disproportionate 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) EVANGELICAL-GEISINGER HEALTH LLC 100 N ACADEMY AVENUE DANVILLE, PA 178224031 46-0567687	HEALTHCARE	PA	N/A	RELATED	208,399	670,368		No			No	50 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) CENTRAL SUSQUEHANNA HEALTHCARE PROVIDERS INC ONE HOSPITAL DRIVE LEWISBURG, PA 17837 23-2452170	MEDICAL SERVICES	PA	EVANGELICAL COMMUNITY HOSPITAL	C	169,366	211,341	50 000 %		No
(2) ECH PHARMACY & HOMECARE PRODUCTS INC ONE HOSPITAL DRIVE LEWISBURG, PA 17837 23-2353576	SALES OF MEDICAL DRUGS AND SUPPLIES	PA	EVANGELICAL MEDICAL SERVICE ORGANIZATION	C	1,163,375		100 000 %		No
(3) EVANGELICAL MEDICAL SERVICE ORGANIZATION ONE HOSPITAL DRIVE LEWISBURG, PA 17837 23-2809429	MEDICAL SERVICES	PA	EVANGELICAL COMMUNITY HOSPITAL	C	25,440,065	16,263,772	100 000 %		No

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		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		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s	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

Additional Data

Software ID:
Software Version:
EIN: 24-0795411
Name: EVANGELICAL COMMUNITY HOSPITAL

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
EVANGELICAL MEDICAL SERVICES ORGANIZATION	R	8,200,000	CASH
EVANGELICAL MEDICAL SERVICES ORGANIZATION	P	1,375,464	CASH
EVANGELICAL MEDICAL SERVICES ORGANIZATION	O	1,795,305	HOURS SPENT WORKING FOR AFFILIATE
EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	O	75,179	HOURS SPENT WORKING FOR AFFILIATE
EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	J	80,000	CASH
EVANGELICAL MEDICAL SERVICES ORGANIZATION	J	169,700	CASH
EVANGELICAL COMMUNITY HOSPITAL PHARMACY & HOME CARE PRODUCTS INC	S	1,527,380	CASH

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TY 2013 Consideration Computation Statement

Name: EVANGELICAL COMMUNITY HOSPITAL

EIN: 24-0795411

Statement: PHYSICIAN EMPLOYMENT AGREEMENT AND NO CONSIDERATION.

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TY 2013 Consideration Computation Statement

Name: EVANGELICAL COMMUNITY HOSPITAL

EIN: 24-0795411

Statement: OFFICE LEASE AND NO CONSIDERATION.

Evangelical Community Hospital and Controlled Entities

Consolidated Financial Statements
and Supplementary Information

June 30, 2014 and 2013

BAKER TILLY

Candor. Insight. Results.

Evangelical Community Hospital and Controlled Entities

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June 30, 2014 and 2013

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BAKER TILLY

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Independent Auditors' Report

Board of Directors
Evangelical Community Hospital

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 43 - 50 are presented for purposes of additional analysis rather than to present the financial position, results of operations, changes in net assets, and cash flows of the individual companies and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Williamsport, Pennsylvania
October 31, 2014

Evangelical Community Hospital and Controlled Entities

Consolidated Balance Sheet
June 30, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 24,654,886	$ 11,363,400
Assets whose use is limited under trust indenture, held by trustee	1,892,820	2,697,755
Accounts receivable		
Patients (net of estimated allowance for doubtful accounts of $8,924,000 in 2014 and $7,609,000 in 2013)	15,904,345	14,586,210
Other (net of estimated allowance for doubtful accounts of $32,000 in 2013)	440,184	510,135
Estimated third-party payor settlements	-	439,748
Current portion of note receivable	1,370,070	124,715
Inventories of drugs and supplies	3,815,523	3,651,564
Prepaid expenses and other current assets	3,140,019	2,653,030
Total current assets	51,217,847	36,026,557
Assets Whose Use is Limited		
By Board for future capital improvements	71,978,731	64,097,767
Internally designated for deferred compensation plans	12,302,700	10,522,112
Under trust indenture, held by trustee	2,298,594	4,030,117
Board-designated unrestricted contributions	3,873,922	3,112,567
Long-Term Investments	2,040,155	1,822,059
Beneficial Interest in Perpetual Trusts	4,195,588	3,793,240
Beneficial Interest in Charitable Remainder Trusts	286,247	252,808
Pledges Receivable, Net	449,410	677,515
Note Receivable	219,861	1,221,532
Property and Equipment, Net	119,117,725	120,099,932
Goodwill	4,241,257	2,367,218
Estimated Medical Malpractice Insurance Recoveries	777,239	1,208,969
Deferred Financing Costs and Other Assets, Net	4,149,798	4,359,678
Total assets	$ 277,149,074	$ 253,592,071

	2014	2013
Liabilities and Net Assets		
Current Liabilities		
Current maturities of		
Hospital revenue bonds	$ 1,874,061	$ 1,715,000
Notes payable	78,515	877,734
Capital lease obligations	1,077,448	1,065,115
Accounts payable		
Trade	7,021,764	4,302,928
Construction	-	1,601,150
Accrued expenses	14,240,025	12,131,191
Blue Cross current financing advance	3,287,199	1,057,200
Estimated third-party payor settlements	2,121,618	-
Current portion of accrued postretirement benefit costs	330,092	285,878
Total current liabilities	30,030,722	23,036,196
Long-Term Debt		
Hospital revenue bonds	44,020,637	46,620,000
Notes payable	515,909	719,424
Capital lease obligations	1,534,875	1,977,642
Deferred Compensation	15,281,581	13,279,292
Charitable Gift Annuities Payable	755,163	701,300
Accrued Postretirement Benefit Costs	5,982,683	5,363,074
Estimated Medical Malpractice Claims Liability	1,618,110	1,973,530
Total liabilities	99,739,680	93,670,458
Net Assets		
Unrestricted	169,672,209	153,145,512
Temporarily restricted	1,863,475	1,368,250
Permanently restricted	5,873,710	5,407,851
Total net assets	177,409,394	159,921,613
Total liabilities and net assets	$ 277,149,074	$ 253,592,071

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

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

	2014	2013
Unrestricted Revenues, Gains, and Other Support		
Patient service revenues (net of contractual allowances and discounts)	$ 188,194,570	$ 164,426,238
Provision for bad debts	(12,499,733)	(10,370,446)
Net patient service revenues less provision for bad debts	175,694,837	154,055,792
Other revenues	6,794,295	7,726,413
Net assets released from restrictions	250,021	231,271
Gain (loss) on the sale and disposal of property and equipment	10,180	(10,074)
Total unrestricted revenues, gains, and other support	182,749,333	162,003,402
Expenses		
Salaries and wages	64,173,875	60,570,690
Supplies and expenses	26,627,945	24,250,159
Employee benefits	22,934,726	21,255,199
Purchased services	19,098,043	17,198,870
Physician salaries and fees	18,393,887	15,065,144
Depreciation	10,515,791	9,338,653
Other expenses	5,222,318	4,454,733
Utilities	3,295,893	2,863,244
Interest (net of capitalized interest of $143,892 in 2014 and $208,538 in 2013)	2,389,484	2,427,998
Insurance	1,751,678	688,694
Contract labor	631,387	388,820
Amortization	48,710	76,451
Total expenses	175,083,737	158,578,655
Operating income	7,665,596	3,424,747
Other Income (Loss)		
Investment income	8,832,840	5,394,554
Contributions	1,174,841	1,377,721
Equity in income of investees	191,618	51,730
Loss on refinancing of debt	(1,443,953)	-
Total other income	8,755,346	6,824,005
Revenues in excess of expenses	16,420,942	10,248,752
Grant Income Used for Long-Term Purposes	231,000	638,321
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	541,730	602,962
Postretirement Benefit Liability Adjustment	(666,975)	645,282
Increase in unrestricted net assets	$ 16,526,697	$ 12,135,317

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

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

	2014	2013
Unrestricted Net Assets		
Revenues in excess of expenses	$ 16,420,942	$ 10,248,752
Grant income used for long-term purposes	231,000	638,321
Net assets released from restrictions used for purchase of property and equipment	541,730	602,962
Postretirement benefit liability adjustment	(666,975)	645,282
Increase in unrestricted net assets	16,526,697	12,135,317
Temporarily Restricted Net Assets		
Contributions and grants	1,098,949	743,848
Investment income	171,983	60,253
Change in value of split-interest agreement	16,044	2,906
Net assets released from restrictions	(791,751)	(834,232)
Increase (decrease) in temporarily restricted net assets	495,225	(27,225)
Permanently Restricted Net Assets		
Valuation gain	402,348	238,780
Contributions	47,276	111,541
Change in value of split-interest agreement	17,395	10,426
Investment loss	(1,160)	(8,192)
Increase in permanently restricted net assets	465,859	352,555
Increase in net assets	17,487,781	12,460,647
Net Assets, Beginning	159,921,613	147,460,966
Net Assets, Ending	$ 177,409,394	$ 159,921,613

See notes to consolidated financial statements

Evangelical Community Hospital and Controlled Entities

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

	2014	2013
Cash Flows from Operating Activities		
Increase in net assets	$ 17 487 781	$ 12 460 647
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	10 564 501	9 415 104
Provision for bad debts	12 499 733	10 370 446
(Gain) loss on the sale and disposal of property and equipment	(10 180)	10 074
Loss on refinancing	1 443 953	-
Unrestricted net realized and unrealized gains and losses on investments other than trading securities	(8 383 305)	(4 359 415)
Equity in income of investees	(191 618)	(51 730)
Purchase of equity in investees	-	(887 237)
Distributions received from investees	840	-
Restricted contributions	(1 580 852)	(1 004 022)
Grant income used for long-term purposes	(231 000)	(638 321)
Postretirement benefit liability adjustment	666 975	(645 282)
Changes in assets and liabilities		
Accounts receivable	(13 747 917)	(10 681 761)
Estimated third-party payor settlements	2 561 366	(83 048)
Inventories of drugs and supplies	(163 959)	(479 193)
Prepaid expenses and other assets	(55 259)	(236 019)
Accounts payable trade	2 718 836	(562 501)
Accrued expenses and other liabilities	6 036 413	2 136 873
Environmental remediation liability	-	(174 488)
Net cash provided by operating activities	29 616 308	14 590 127
Cash Flows from Investing Activities		
Net sales (purchases) of investments	278 760	(3 224 123)
Purchases of property and equipment	(9 741 668)	(11 020 145)
Acquisition of medical practice	(1 874 039)	-
Repayment of note receivable	1 346 247	115 544
Proceeds from the sale of property and equipment	779 109	13 550
Increase in other assets	(113 762)	(250 000)
Acquisition of controlling interest in Evangelical Ambulatory Surgical Center LLC net of cash acquired	-	(185 384)
Net cash used in investing activities	(9 325 353)	(14 550 558)
Cash Flows from Financing Activities		
Repayment of long-term debt	(3 443 036)	(2 536 961)
Repayment of capital lease obligation	(991 279)	(2 375 253)
Proceeds from restricted contributions	1 373 170	1 018 080
Payment of construction payables	(1 601 150)	(755 425)
Payment of financing costs	(208 220)	-
Grant income used for long-term purposes	231 000	638 321
Loan advances	(1 589 931)	-
Interest paid on advance refunding of 2004 bonds	(770 023)	-
Net cash used in financing activities	(6 999 469)	(4 011 238)
Net increase (decrease) in cash and cash equivalents	13 291 486	(3 971 669)
Cash and Cash Equivalents, Beginning	11 363 400	15 335 069
Cash and Cash Equivalents, Ending	$ 24 654 886	$ 11 363 400
Supplemental Disclosure of Cash Flow Information		
Interest paid net of amounts capitalized	$ 2 765 297	$ 2 434 633
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Long-term debt refinanced	$ 19 486 977	$ -
Capital lease obligation incurred for purchase of equipment	$ 560 845	$ 4 471 777
Accounts payable incurred for capital projects	$ -	$ 1 601 150
Assets and liabilities acquired with controlling interest in Evangelical Ambulatory Surgical Center LLC (Note 1)		
Cash	$ -	$ 757 591
Accounts receivable patients net	-	401 452
Inventories of drugs and supplies	-	268 151
Prepaid expenses and other current assets	-	99 827
Property and equipment net	-	420 346
Accounts payable trade	-	40 072
Accrued expenses	-	146 049

See notes to consolidated financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Evangelical Community Hospital (the "Hospital") is a not-for-profit acute care hospital located in Lewisburg, Pennsylvania. The Hospital provides inpatient, outpatient, and emergency care services for residents of its primary service area which includes Lewisburg, Pennsylvania and surrounding communities in Union, Northumberland, and Snyder Counties, Pennsylvania. The Hospital functions as the parent corporation for a group of affiliated organizations related by way of common ownership and/or control. The affiliated organizations consist of Evangelical Medical Services Organization (“EMSO”), Evangelical Community Hospital Pharmacy and Home Care Products, Inc. (“PHCP”) and Evangelical Ambulatory Surgical Center, LLC (“EASC”).

EMSO is operated in connection with and for the benefit of the Hospital. In this capacity, EMSO provides ambulatory healthcare services. The members of EMSO are those individuals who, from time to time, serve as voting members of the Hospital's Board of Directors. In their capacity as members of EMSO, these individuals have the right to, among other things; approve major expenditures, long-term borrowings, and annual operating and capital budgets.

PHCP is a for profit corporation which provides durable medical equipment services. In 2013, EMSO owned 100% of its outstanding stock, however, on January 31, 2014 EMSO entered into an Asset Purchase Agreement to sell all outstanding stock and assets of PHCP, and the assets were sold on February 14, 2014.

EASC is operated in connection with and for the benefit of the Hospital. In this capacity, EASC provides outpatient surgical healthcare services. The Hospital owns 100% of the outstanding stock of EASC.

Basis of Consolidation

The consolidated financial statements include the accounts of the Hospital, EMSO, PHCP, and EASC (collectively referred to as, the "Corporation"). All significant intercompany transactions and balances have been eliminated in consolidation.

Subsequent Events

The Corporation evaluated subsequent events for recognition or disclosure through October 31, 2104, the date the financial statements were issued.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include investments in highly liquid debt instruments purchased with a maturity of three months or less, excluding assets whose use is limited and long-term investments.

Patient Accounts Receivable

Patient accounts receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. In evaluating the collectability of patient accounts receivable, the Corporation analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. For receivables associated with services provided to patients who have third-party coverage, the Corporation analyzes contractual amounts due and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, the Corporation records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Corporation's allowance for doubtful accounts for self-pay patients decreased to 88% of self-pay accounts receivable at June 30, 2014, from 90% of self-pay accounts receivable at June 30, 2013. In addition, the Corporation's self-pay account write-offs (net of recoveries) increased to approximately $11,185,000 in 2014, from approximately $8,980,000 in 2013. The increase in write-offs was the result of higher deductibles, increases in self-pay due to unemployment, and reductions in coverage. The Corporation did not significantly change its patient financial assistance policy in 2014 or 2013. The Corporation does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

Assets Whose Use is Limited

Assets whose use is limited include assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes; assets set aside by the Board of Directors for the Corporation's deferred compensation plans; assets held by a bond trustee under a trust indenture; and unrestricted contributions set aside by the Board of Directors, over which the Board retains control and may, at its discretion, subsequently use for other purposes. Amounts available to meet current liabilities of the Corporation have been reclassified as current assets in the accompanying consolidated balance sheet.

Inventories of Drugs and Supplies

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

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheet. Investment income or loss (including realized gains and losses on investments, unrealized gains and losses on trading securities, interest, and dividends) is included in the determination of revenues in excess of expenses unless the income or loss is restricted by donor or law. Donor-restricted investment income is reported as an increase in temporarily restricted or permanently restricted net assets depending on the type of restriction.

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

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful life of each classification of depreciable asset. Assets under capital lease arrangements are amortized over the shorter of the lease term or the useful life of the asset. Such amortization is included in depreciation expense in the accompanying consolidated statement of operations. Net interest costs incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of those constructed assets.

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

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the term of the debt using the effective interest method. Amortization of deferred financing costs amounted to $48,710 in 2014 and $76,451 in 2013. Deferred financing costs of $673,930 were written off during 2014 as a loss or refinancing of debt in the accompanying consolidated statement of operations. These costs were related to debt that was refinanced during 2014 (Note 9).

Goodwill

Goodwill represents the excess of the amount paid to acquire medical practices over the fair value of the net assets purchased. The Corporation follows authoritative guidance regarding goodwill and other intangible assets with indefinite lives, which requires that such assets be reviewed annually or more frequently if impairment indicators arise. The Corporation has the option not to calculate annually the fair value of an indefinite-lived intangible asset if management determines that it is more-likely-than-not that the asset is not impaired. This permits the Corporation to assess qualitative factors when testing goodwill for impairment. If the Corporation concludes that it is more-likely-than-not that the goodwill is not impaired, then the Corporation is not required to take further action. If indicators arise that further testing is needed, the Corporation will estimate the fair value of its identified reporting units and compare those estimates against the related carrying values. During 2014, the qualitative factors evaluated by the Corporation included the financial performance and cash flows of the services provided by the acquired medical practices.

Other Investments

Other assets include the Corporation's investment in several entities in which the Corporation has a financial interest. Where the Corporation has the ability to influence management or has a twenty percent or more interest in the entity, the investment is recorded at cost, adjusted for the Corporation's proportionate share of their undistributed earnings or losses. All other investments in such entities are recorded at cost.

Impairment of Long-Lived Assets

At each balance sheet date, management evaluates whether any property, equipment, or other long-lived assets have been impaired. The Corporation made no impairment related adjustments to the carrying values of long-lived assets in 2014 and 2013.

Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed using a credit-adjusted interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution income.

Split-Interest Agreements

The Corporation has received as contributions various types of split-interest agreements, including charitable gift annuities, perpetual trusts, and charitable remainder trusts.

Under the terms of numerous charitable gift annuity agreements, the Corporation has recorded the donated assets at their fair value as of the date of each agreement and the liabilities to the donors or their beneficiaries at the present value of the estimated future payments to be paid by the Corporation to such individuals. The amount of the contribution is the difference between the fair value of the donated assets and the related liability and is recorded as unrestricted contributions, unless otherwise restricted by the donor. Included in assets whose use is limited, Board designated unrestricted contributions at June 30, 2014 and 2013 were $1,216,988 and $1,023,949, respectively, related to these charitable gift annuities. The Corporation's liability related to these charitable gift annuities at June 30, 2014 and 2013 was $755,163 and $701,300, respectively.

Under the terms of several perpetual trust agreements, the Corporation recorded assets and recognized permanently restricted contributions at the fair value of the Corporation's beneficial interest in the perpetual trust assets. Income earned on the trust assets and distributed to the Corporation is recorded as investment income in the accompanying consolidated statement of operations, unless otherwise restricted by the donor. Subsequent changes in fair values are recorded as valuation gain or loss in permanently restricted net assets. The fair value of the Corporation's beneficial interest in such perpetual trust assets was $4,195,588 and $3,793,240 at June 30, 2014 and 2013, respectively.

Under the terms of a charitable remainder trust agreement where the Corporation does not control the assets, the Corporation recorded an asset and recognized a temporarily restricted contribution at the fair value of the Corporation's beneficial interest in charitable remainder trust assets. Subsequent to certain events, the Corporation is entitled to the principal and income remaining in the trust. Subsequent changes in fair value are recorded as a change in value of split-interest agreement in temporarily restricted net assets. The fair value of the Corporation's beneficial interest in such charitable remainder trust assets was $117,845 and $101,801 at June 30, 2014 and 2013, respectively.

Under the terms of a charitable remainder trust agreement where the Corporation does not control the assets, the Corporation recorded an asset and recognized a permanently restricted contribution at the fair value of the Corporation's beneficial interest in charitable remainder trust assets. Subsequent to certain events, the Corporation is entitled to a portion of the principal and income remaining in the trust. Subsequent changes in fair value are recorded as a change in value of split-interest agreement in permanently restricted net assets. The fair value of the Corporation's beneficial interest in such charitable remainder trust assets was $168,402 and $151,007 at June 30, 2014 and 2013, respectively.

Endowment Spending Policy

Commonwealth of Pennsylvania law permits the Corporation to allocate to income each year a portion of endowment return. The law allows non-profit organizations to spend a percentage of the market value of their endowment funds, including realized and unrealized gains. The percentage, which by law must be between 2% and 7%, is elected by the Board of Directors. The endowment market value is determined based on an average spanning three years. The Corporation's policy for fiscal years 2014 and 2013 allowed for a payout of up to 5% of the three-year average balance, which is based on market value.

Revenues in Excess of Expenses

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

Net Patient Service Revenue

The Corporation reports net patient service revenue at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including an estimate for retroactive adjustments that may occur as a result of future audits and reviews. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits and reviews.

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs discounted charges, per diem payments, and contracted amounts. The Corporation recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of these established rates for the services rendered. For uninsured patients that do not qualify for charity care, the Corporation recognizes revenues on the basis of its standard rates, discounted in accordance with the Corporation's policy. On the basis of historical experience, a significant portion of the Corporation's uninsured patients will be unable to pay for the services provided. Thus, the Corporation records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenues, net of contractual allowances and discounts (but before the provision for doubtful accounts), recognized in 2014 and 2013 from these major payor sources, are approximately as follows:

	Third-Party Government Payors	Third-Party Commercial Payors	Self Pay	Total
June 30, 2014	$ 45,076,000	$ 133,234,000	$ 9,885,000	$ 188,195,000
June 30, 2013	$ 45,321,000	$ 111,281,000	$ 7,824,000	$ 164,426,000

Premium Revenues

The Corporation has agreements with various health maintenance organizations to provide medical services to subscribing participants. Under these agreements, the Corporation receives monthly capitation payments based on the number of participants regardless of services actually performed. Premium revenues are included in net patient service revenues in the accompanying consolidated statement of operations.

Charity Care

The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Such patients are identified based on financial information obtained from the patient (or their guarantor) and subsequent analysis which includes the patient's ability to pay for services rendered. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as a component of net patient service revenue or patient accounts receivable.

Lease Revenue

The Corporation accounts for its real estate leasing activities as operating leases.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated statement of operations.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on its exempt income under Section 501(a) of the Internal Revenue Code.

EMSO and PHCP are subject to federal and state income taxes.

EASC is a limited liability company that is not subject to federal or state income taxes. Previously, its Members elected to report the taxable income or loss on their respective tax returns; however, after the Corporation became the sole Member, it elected not to be treated as a separate entity for federal income tax purposes and under applicable Treasury regulations will be disregarded as a separate entity for federal income tax purposes. Going forward, EASC will be reported in the Hospital's Federal Return of Organization Exempt from Income Tax.

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

The Corporation's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses.

The Hospital's federal Return of Organization Exempt from Income Tax (Form 990) and the federal Exempt Organization Business Income Tax Returns (Form 990-T) for the years ending prior to June 30, 2011 no longer remain subject to examination by the Internal Revenue Service ("IRS").

The federal income tax returns (Form 1120) for EMSO and PHCP and the federal partnership income tax returns (Form 1065) for EASC for the years ending prior to June 30, 2011 no longer remain subject to examination by the IRS.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs amounted to approximately $445,000 in 2014 and $371,000 in 2013.

Estimated Malpractice Costs

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported, including costs associated with litigating or settling claims. Anticipated insurance recoveries associated with reported claims are reported separately in the Corporation's consolidated balance sheet at net realizable value.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

Grant Income Used for Long-Term Purposes

The Corporation has been awarded various grants associated with its recent surgical and cardiovascular expansion project. Such grant awards were utilized for debt service payments, site acquisition, site preparation and construction. Such amounts are classified as grant income used for long-term purposes in the accompanying statements of operations and changes in net assets.

Reclassifications

Certain amounts in the 2013 consolidated financial statements have been reclassified to conform to the current year presentation.

New Accounting Standard - Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU No. 2014-09 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. Under the requirements of ASU No. 2014-09, the core principle is that entities should recognize revenue to depict the transfer of promised goods or services to customers (patients) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Corporation will be required to retrospectively adopt the guidance in ASU No. 2014-09 for years beginning after December 15, 2016; the early application is not permitted. The Corporation has not yet determined the impact of adoption of ASU No. 2014-09 on its consolidated financial statements.

2. Net Patient Service Revenues

The Corporation has agreements with third-party payors that provide for payments to the Corporation at amounts different from its established rates. A significant portion of the Corporation's net patient service revenues is derived from these third-party payor programs. A summary of the principal payment arrangements with major third-party payors follows:

- Medicare: Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. The Corporation is reimbursed for cost reimbursable expenditures at tentative interim rates, with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicare fiscal intermediary. The Corporation's Medicare cost reports have been settled by the Medicare fiscal intermediary through June 30, 2011. Approximately 19% in 2014 and 23% in 2013 of net patient service revenue was attributable to the Medicare program.

- Medical Assistance: Inpatient acute care services rendered to Medical Assistance program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are paid based on a published fee schedule. Approximately 3% in 2014 and 2013 of net patient service revenue was attributable to the Medical Assistance program.

- Blue Cross: Inpatient services rendered to Capital Blue Cross subscribers are reimbursed at prospectively determined rates per case. Outpatient services are paid based on a percentage of established Corporation rates. Approximately 33% in 2014 and 2013 of net patient service revenue was attributable to Blue Cross.

The Corporation has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Corporation under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Revenues received under certain third-party arrangements are subject to audit and retroactive adjustment. Net patient service revenue was increased by approximately $1,334,000 in 2014 and $1,911,000 in 2013 as a result of adjustments to prior year estimates and settlement of outstanding cost reports, primarily as a result of the Corporation re-opening previously closed cost reports in order to receive disproportionate share payments it was entitled to.

3. Charity Care and Community Support

The Corporation maintains records to identify and monitor the level of charity care and community service it provides. The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care. The level of charity care provided by the Corporation amounted to approximately $267,000 in 2014 and $341,000 in 2013.

Community Support

Support of those in need includes services provided to persons who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured, excluding those who qualify for charity care under the Corporation's policies. Community support also includes governmental program shortfalls, primarily from the Medicare and Medical Assistance programs. The approximate costs associated with Corporation's community support for the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Governmental program shortfalls	$ 13,827,000	$ 16,607,000
Services provided for which payment was not received	$ 3,949,000	$ 4,036,000
Community health education programs	$ 1,017,000	$ 559,000
Volunteer services	$ 1,456,000	$ 1,235,000

Costs associated with governmental program shortfalls and services provided for which payment was not received are estimated by applying a cost-to-charge ratio to the related amount of gross charges. Costs associated with community health education programs are estimated based upon actual costs incurred to provide such programs, including an allocation of overhead costs to provide such programs. The cost of volunteer services, which do not meet the criteria for recognition, is estimated based upon the total number of volunteer hours tracked by the Corporation multiplied by the statewide average wage rate, as published by the Center for Workforce Information and Analysis.

4. Investments

The Corporation's investments are presented on the consolidated balance sheet as follows:

	2014	2013
Assets whose use is limited:		
Under trust indenture, held by trustee:		
Current portion	$ 1,892,820	$ 2,697,755
Noncurrent portion	2,298,594	4,030,117
By board for future capital improvements	71,978,731	64,097,767
Internally designated for deferred compensation plans	12,302,700	10,522,112
Board-designated unrestricted contributions	3,873,922	3,112,567
Long-term investments	2,040,155	1,822,059
Total	$ 94,386,922	$ 86,282,377

Assets Whose Use is Limited

The composition of assets whose use is limited ("AWUIL") at June 30, 2014 and 2013 is set forth in the following table:

	2014	2013
By Board for future capital improvements:		
Cash and cash equivalents	$ 2,843,451	$ 2,876,823
Marketable equity securities:		
Consumer discretionary	5,661,592	4,653,274
Information technology	3,841,153	3,140,381
Financial	3,659,141	3,360,222
Industrial	2,568,978	2,004,398
Healthcare	2,564,223	2,467,772
Energy	2,203,288	1,650,199
Other	583,537	202,142
Fixed income mutual funds	14,327,220	16,778,101
Equity mutual funds:		
International	10,400,065	6,231,777
Other	5,551,744	2,955,105
Large cap	2,157,162	2,850,130
Real estate	1,956,583	1,986,179
Small cap	21,645	21,441
Debt securities:		
Corporate, investment grade	6,517,612	5,820,191
Mortgage backed	3,513,481	4,187,309
U.S. government and agency obligations	1,832,453	914,337
Other	802,764	1,054,166
Cash surrender value of life insurance policies	811,045	774,822
Other	161,594	168,998
Total	$ 71,978,731	$ 64,097,767

	2014	2013
Internally designated for deferred compensation plans:		
Cash and cash equivalents	$ 286,594	$ 61,888
Cash surrender value of life insurance policies	9,733,296	7,900,067
Fixed income mutual funds	357,628	402,100
Equity mutual funds:		
Small cap	684,464	603,021
Mid cap	543,048	548,164
International	378,061	427,887
Large cap	275,935	450,807
Other	43,674	128,178
Total	$ 12,302,700	$ 10,522,112
Under trust indenture, held by trustee (Note 8):		
Cash and cash equivalents	$ 1,948,332	$ 2,733,362
Debt securities:		
Corporate, investment grade	1,176,445	1,985,635
Mortgage backed	778,030	1,035,070
U.S. government and agency obligations	277,470	949,615
Other	11,137	24,190
Total	4,191,414	6,727,872
Less funds held by trustee available to meet current liabilities	1,892,820	2,697,755
Noncurrent portion of funds held by trustee	$ 2,298,594	$ 4,030,117
Board-designated unrestricted contributions:		
Cash and cash equivalents	$ 251,208	$ 48,340
Fixed income mutual funds	1,600,542	1,224,434
Equity mutual funds:		
Large cap	1,449,826	1,200,648
International	438,976	293,504
Other	-	186,796
Small cap	133,370	124,133
Debt securities:		
U.S. government and agency obligations	-	34,712
Total	$ 3,873,922	$ 3,112,567

Long-Term Investments

The composition of long-term investments at June 30, 2014 and 2013 is set forth in the following table:

	2014	2013
Cash and cash equivalents	$ 80,082	$ 41,349
Marketable equity securities		
Information technology	63,063	66,940
Consumer discretionary	50,909	61,931
Healthcare	45,019	56,909
Other	35,378	25,801
Industrial	43,568	25,482
Financial	35,559	22,456
Energy	26,518	15,650
Fixed income mutual funds	756,507	558,371
Equity mutual funds		
Large cap	599,766	557,629
International	158,577	112,278
Other	121,250	79,669
Small cap	23,075	26,453
Debt securities		
Corporate, investment grade	-	128,734
U S government and agency obligations	-	41,560
Other	884	847
Total	$ 2,040,155	$ 1,822,059

Investment Income

Unrestricted investment income, gains, and losses for assets whose use is limited, cash and cash equivalents and long-term investments, net of spending policy, are comprised of the following in 2014 and 2013:

	2014	2013
Investment income		
Other revenues		
Unrealized gains on trading securities	$ 1,418,700	$ 856,955
Interest and dividend income	172,176	145,345
Realized (loss) gains on sales of securities	-	10,913
Total other revenues	1,590,876	1,013,213
Other income		
Realized gains on sales of securities	2,618,944	2,766,318
Interest and dividend income	2,237,907	2,116,320
Unrealized gains on trading securities	4,345,660	866,468
Investment fees	(369,671)	(354,552)
Total other income	8,832,840	5,394,554
Total	$ 10,423,716	$ 6,407,767

5. Fair Value Measurements and Financial Instruments

Fair Value Measurements

The Corporation measures its trading securities, beneficial interest in perpetual trusts, and beneficial interest in charitable remainder trusts on a recurring basis at fair value in accordance with generally accepted accounting principles.

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

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

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

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

The fair value of financial instruments listed below was determined using the following valuation hierarchy at June 30, 2014 and 2013:

	2014				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets - Recurring fair value measurements:					
Investments and AWUIL					
Cash and cash equivalents	$ 5,409,667	$ 5,409,667	$ 5,409,667	$ -	$ -
Marketable equity securities					
Consumer discretionary	5,712,501	5,712,501	5,712,501	-	-
Financial	3,694,700	3,694,700	3,694,700	-	-
Information technology	3,904,216	3,904,216	3,904,216	-	-
Healthcare	2,609,242	2,609,242	2,609,242	-	-
Industrial	2,612,546	2,612,546	2,612,546	-	-
Energy	2,229,806	2,229,806	2,229,806	-	-
Other	618,915	618,915	618,915	-	-
Fixed income mutual funds	17,041,897	17,041,897	17,041,897	-	-
Equity mutual funds					
International	11,375,679	11,375,679	11,375,679	-	-
Large cap	4,482,689	4,482,689	4,482,689	-	-
Other	5,716,668	5,716,668	5,716,668	-	-
Real estate	1,956,583	1,956,583	1,956,583	-	-
Small cap	862,554	862,554	862,554	-	-
Mid cap	543,048	543,048	543,048	-	-
Debt Securities					
Corporate, investment grade	7,694,057	7,694,057	-	7,694,057	-
Mortgage backed	4,291,511	4,291,511	-	4,291,511	-
U S government and agency obligations	2,109,923	2,109,923	-	2,109,923	-
Other	802,764	802,764	-	802,764	-
Other	173,615	173,615	-	173,615	-
Total	83,842,581	83,842,581	68,770,711	15,071,870	-
Beneficial interest in perpetual trusts	4,195,588	4,195,588	-	-	4,195,588
Beneficial interest in charitable remainder trusts	286,247	286,247	-	-	286,247
Total assets	$ 88,324,416	$ 88,324,416	$ 68,770,711	$ 15,071,870	$ 4,481,835

	2014				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets disclosed at fair value:					
Cash and cash equivalents	$ 24,654,886	$ 24,654,886	$ 24,654,886	$ -	$ -
Pledges receivable, net	449,410	449,410	-	449,410	-
Total	$ 25,104,296	$ 25,104,296	$ 24,654,886	$ 449,410	$ -
Liabilities disclosed at fair value,					
Long-term debt					
Bonds payable (Note 8)	$ 45,894,698	$ 50,270,015	$ -	$ 50,270,015	$ -
Notes payable (Note 9)	594,424	594,424	-	-	594,424
Total	$ 46,489,122	$ 50,864,439	$ -	$ 50,270,015	$ 594,424

	2013				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets - Recurring fair value measurements:					
Investments and AWUIL					
Cash and cash equivalents	$ 5,761,762	$ 5,761,762	$ 5,761,762	$ -	$ -
Marketable equity securities					
Consumer discretionary	4,715,205	4,715,205	4,715,205	-	-
Financial	3,382,678	3,382,678	3,382,678	-	-
Information technology	3,207,321	3,207,321	3,207,321	-	-
Healthcare	2,524,681	2,524,681	2,524,681	-	-
Industrial	2,029,880	2,029,880	2,029,880	-	-
Energy	1,665,849	1,665,849	1,665,849	-	-
Other	227,943	227,943	227,943	-	-
Fixed income mutual funds	18,963,006	18,963,006	18,963,006	-	-
Equity mutual funds				-	
International	7,065,446	7,065,446	7,065,446	-	-
Large cap	5,059,214	5,059,214	5,059,214	-	-
Other	3,349,748	3,349,748	3,349,748	-	-
Real estate	1,986,179	1,986,179	1,986,179	-	-
Small cap	775,048	775,048	775,048	-	-
Mid cap	548,164	548,164	548,164	-	-
Debt Securities					

	2013				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate, investment grade	$ 7,934,560	$ 7,934,560	$ -	$ 7,934,560	$ -
Mortgage backed	5,222,379	5,222,379	-	5,222,379	-
U S government and agency obligations	1,940,224	1,940,224	-	1,940,224	-
Other	1,054,166	1,054,166	-	1,054,166	-
Other	194,035	194,035	-	194,035	-
Total	77,607,488	77,607,488	61,262,124	16,345,364	-
Beneficial interest in perpetual trusts	3,793,240	3,793,240	-	-	3,793,240
Beneficial interest in charitable remainder trusts	252,808	252,808	-	-	252,808
Total assets	$ 81,653,536	$ 81,653,536	$ 61,262,124	$ 16,345,364	$ 4,046,048
Assets disclosed at fair value:					
Cash and cash equivalents	$ 11,363,400	$ 11,363,400	$ 11,363,400	$ -	$ -
Pledges receivable, net	677,515	677,515	-	677,515	-
Total	$ 12,040,915	$ 12,040,915	$ 11,363,400	$ 677,515	$ -
Liabilities disclosed at fair value,					
Long-term debt					
Bonds payable (Note 8)	$ 48,335,000	$ 50,424,674	$ -	$ 50,424,674	$ -
Notes payable (Note 9)	1,597,158	1,597,158	-	-	1,597,158
Total	$ 49,932,158	$ 52,021,832	$ -	$ 50,424,674	$ 1,597,158

Investments also include $10,544,341 and $8,674,889 at June 30, 2014 and 2013, respectively, of cash surrender value of life insurance policies. These are excluded from the fair value hierarchy because they are recorded at contract value.

The Corporation measures its beneficial interest in perpetual trusts at fair value based on the fund's underlying investments using unobservable inputs (Level 3) in accordance with accounting principles generally accepted in the United States of America. Changes to the beneficial interest perpetual trusts in 2014 and 2013 were as follows:

	2014	2013
Beginning balance	$ 3,793,240	$ 3,554,460
Investment income from beneficial interest in perpetual trust	172,990	222,554
Distributions from beneficial interest in perpetual trust	(172,990)	(222,554)
Valuation gain, net	402,348	238,780
Total	$ 4,195,588	$ 3,793,240

The Corporation measures its beneficial interest in charitable remainder trusts at fair value based on the fund's underlying investments using unobservable inputs (Level 3) in accordance with accounting principles generally accepted in the United States of America. Changes to the beneficial interest in charitable remainder trusts in 2014 and 2013 were as follows:

	2014	2013
Beginning balance	$ 252,808	$ 229,584
Contribution	-	9,996
Change in value of split interest agreement	33,439	13,228
Total	$ 286,247	$ 252,808

The following is a description of the valuation methodologies used for assets measured at fair value and for financial instruments disclosed at fair value. There have been no changes in methodologies used at June 30, 2014 and 2013:

Cash and cash equivalents and certificates of deposit: The carrying amounts approximate fair value because of the short maturity of these financial statements.

Debt securities: Valued based on spreads of published interest rate curves.

Marketable equity securities and mutual funds: Valued at closing prices reported on the active market on which the individual securities are traded.

Cash surrender value of life insurance policies: Recorded at contract value, which approximates fair value. The value is based on quoted prices of the underlying investments in mutual funds held by the policy contract issuer.

Beneficial interest in perpetual trusts and charitable remainder trusts: Valued based on the fair value of the trusts' underlying assets, which represents a proxy for discounted present value of future cash flows.

Pledges receivable: Valued based on the original pledge amount, adjusted by a discount rate that a market participant would demand and an evaluation for uncollectible pledges.

Long-term debt: Valued based on current rates offered for similar issues with similar security terms and maturities, or estimated using a discount rate that a market participant would demand.

6. Property and Equipment

Property and equipment and accumulated depreciation as of June 30, 2014 and 2013, are as follows:

	2014	2013
Land	$ 7,074,428	$ 6,859,650
Land improvements	3,875,851	3,980,187
Buildings	108,980,922	106,605,932
Fixed equipment	26,558,014	26,303,857
Movable equipment	70,500,336	64,536,534
Leasehold improvements	2,052,671	2,052,671
Construction in progress	6,571,694	8,289,291
Total	225,613,916	218,628,122
Less accumulated depreciation and amortization	106,496,191	98,528,190
Property and equipment, net	$ 119,117,725	$ 120,099,932

Depreciation expense was $10,515,791 in 2014 and $9,338,653 in 2013.

The Corporation has entered into capital lease agreements for the purchase of certain equipment. The net book value of this equipment is included in the above movable equipment and construction in progress totals. The cost of this equipment was $6,252,335 at June 30, 2014 and $6,376,090 at June 30, 2013 and accumulated depreciation totaled $1,042,056 at June 30, 2014 and $1,304,019 at June 30, 2013.

7. Deferred Financing Costs and Other Assets

Deferred financing costs and other assets and related accumulated amortization as of June 30, 2014 and 2013 consist of the following:

	2014	2013
Deferred financing costs:		
Cost	$ 1,043,137	$ 1,992,191
Less accumulated amortization	98,464	533,100
Net	944,673	1,459,091
Other investments:		
Community Hospital Alternative For Risk Transfer	2,472,060	2,358,300
Evangelical-Geisinger Health, LLC	563,699	371,394
Central Susquehanna Healthcare Providers, Inc.	169,366	170,893
Total	3,205,125	2,900,587
Deferred financing costs and other assets, net	$ 4,149,798	$ 4,359,678

8. Hospital Revenue Bonds

A summary of hospital revenue bonds as of June 30, 2014 and 2013 is as follows:

	2014	2013
Series 2011 Hospital Revenue Bonds due in varying annual installments through August 1, 2041, plus interest at rates ranging from 3.08% to 7.00%	$ 26,360,000	$ 27,640,000
Series 2013 Hospital Revenue Bonds due in varying annual installments through November 1, 2028, plus interest at a fixed rate of 3.79%	19,534,698	-
Series 2004 Hospital Revenue Bonds, refinanced during the year ended June 30, 2014	-	20,695,000
Total	45,894,698	48,335,000
Less current maturities	1,874,061	1,715,000
Long-term debt	$ 44,020,637	$ 46,620,000

The scheduled principal repayments as of June 30, 2014 are as follows:

Years ending June 30:	
2015	$ 1,874,061
2016	1,945,883
2017	2,027,089
2018	2,118,245
2019	2,213,807
Thereafter	35,715,613
Total	$ 45,894,698

Series 2011 Hospital Revenue Bonds

In March 2011, the Union County Hospital Authority (the "Authority") issued $30,235,000 of tax-exempt hospital revenue bonds (the "2011 Bonds") on behalf of the Hospital. The proceeds of the 2011 Bonds were used to fund certain construction and renovation projects, advance refund the then outstanding 2009 Bonds, establish a debt service reserve fund, and pay the costs of issuance of the 2011 Bonds.

Series 2013 Hospital Revenue Bonds

In October 2013, the Corporation entered a Refunding Project Agreement (the "2013 Agreement ") with the Authority and Siemens Public, Inc. ("Siemens") whereby the Authority issued $19,694,697 of tax-exempt hospital revenue bonds (the "2013 Bonds") on behalf of the Corporation, which were privately placed with Siemens. Simultaneously with this, the Hospital entered into a note payable with the Authority, the terms of which are identical to the terms payable by the Authority to Siemens. The proceeds of the 2013 Bonds were used to fund capital improvements, advance refund the Series 2004 Hospital Revenue Bonds, and pay for costs of issuance. Monthly principal and interest installments commenced in November 2013.

In connection with the 2013 Agreement , the Master Trust Indenture, dated as of May 1, 2009, has been amended such that the Corporation and its subsidiaries (which include the Hospital, EMSO, and EASC) have agreed to be jointly and severally obligated for repayment. To secure the required debt service payments due on the 2011 Bonds and the 2013 Bonds, the Corporation granted the Authority a security interest in and a first lien on their gross revenues, as such term is defined in the Master Trust Indenture, as amended. Furthermore, a trustee for the Authority holds certain funds for the benefit of the holders of the Bonds. Such funds are included in assets whose use is limited in the accompanying consolidated balance sheet.

The Corporation is required to meet certain financial and operational covenants under the terms of the Master Trust Indenture, as amended. The Corporation was in compliance with such financial covenants for the year ended June 30, 2014. To secure the required loan payments, the Hospital has granted the Authority a security interest in and first lien on its gross revenues, as such term is defined in the Master Trust Indenture, as amended. Further, a trustee for the Authority holds certain funds for the benefit of the holders of the Bond. Such funds are included with assets whose use is limited in the accompanying consolidated balance sheet. The Master Trust Indenture, as amended, also places limits on the incurrence of additional borrowings and the transfer of funds to affiliates as long as the 2011 Bonds and 2013 Bonds are outstanding.

9. Notes Payable

A summary of notes payable as of June 30, 2014 and 2013 is as follows:

	2014	2013
Note payable due in monthly installments of $7,008, including interest at 1.00% through November 2021; secured by certain equipment	$ 594,424	$ 672,158
Notes repaid during 2014	-	925,000
Total	594,424	1,597,158
Less current maturities	78,515	877,734
Long-term debt	$ 515,909	$ 719,424

The scheduled principal repayments as of June 30, 2014 are as follows:

Years ending June 30:	
2015	$ 78,515
2016	79,304
2017	80,100
2018	80,905
2019	81,718
Thereafter	193,882
Total	$ 594,424

10. Obligations under Capital Leases

The Corporation entered into equipment leases under agreements classified as capital leases. The following is a schedule of the future minimum lease payments under the capital leases, together with the present value of the net monthly lease payments, as of June 30, 2014:

Years ending June 30:	
2015	$ 1,187,067
2016	1,188,435
2017	189,267
2018	126,959
2019	122,617
Total minimum lease payments	2,814,345
Less amount representing interest	202,022
Present value of net minimum lease payments	$ 2,612,323

The interest rates on the capitalized leases are imputed based on the lower of the Corporation's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

The present value of the net minimum lease payments under capital leases has been classified in the accompanying consolidated balance sheet as follows at June 30:

	2014	2013
Current maturities of obligations under capital leases	$ 1,077,448	$ 1,065,115
Long-term debt	1,534,875	1,977,642
Total	$ 2,612,323	$ 3,042,757

11. Accrued Expenses

Accrued expenses at June 30, 2014 and 2013 are summarized as follows:

	2014	2013
Paid time off	$ 5,371,203	$ 4,787,294
Salaries and wages	4,356,737	3,137,339
Employee health and dental insurance coverage	2,500,000	1,700,000
Interest	763,563	1,139,376
Retirement plan	501,591	626,564
Workers' compensation	430,000	380,000
Other	316,931	360,618
Total	$ 14,240,025	$ 12,131,191

12. Retirement Plan

The Corporation maintains a defined contribution retirement plan covering substantially all employees which incorporates the tax-deferred salary provisions of Section 401(k) of the Internal Revenue Code. The Corporation's expense relating to this plan amounted to approximately $2,234,000 in 2014 and $2,064,000 in 2013.

13. Deferred Compensation Plans

The Corporation maintains nonqualified deferred compensation arrangements for certain employees. Benefits payable under the terms of these arrangements are measured and accrued during the years they are earned. The Corporation funds a portion of its obligation with the trustees for the plans. Included in assets whose use is limited is $12,302,700 and $10,522,112 related to these plans at June 30, 2014 and 2013, respectively. The Corporation's obligation related to these plans amounted to $15,281,581 and $13,279,292 at June 30, 2014 and 2013, respectively.

14. Postretirement Benefit Plan

The Corporation sponsors a defined benefit postretirement healthcare plan that provides postretirement medical benefits to employees who, as of June 30, 1992, had worked five years and were eligible to receive pension benefits from the Corporation's pension plan upon attainment of age 65. Effective July 1, 1992, the plan contains cost-sharing features which are determined based upon years of service of the participants. The Corporation's policy is to fund the cost of the plan in amounts equal to the Corporation's share of medical benefit costs.

The following table sets forth the change in benefit obligation, the fair value of plan assets, and the amounts recognized in the balance sheet at June 30, 2014 and 2013:

	2014	2013
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 5,648,952	$ 6,327,653
Service cost	128,578	127,995
Interest cost	251,484	219,456
Plan participants' contributions	241,507	216,326
Plan amendments	-	-
Actuarial loss (gain)	560,962	(751,295)
Benefits paid	(518,708)	(491,183)
Benefit obligation, end of year	6,312,775	5,648,952
Change in plan assets:		
Employer contribution	277,201	274,857
Plan participants' contributions	241,507	216,326
Benefits paid	(518,708)	(491,183)
Fair value of plan assets, end of year	-	-
Funded status, end of year	$ (6,312,775)	$ (5,648,952)
Benefit obligation, end of year	$ 6,312,775	$ 5,648,952
Reconciliation of amounts recognized in the balance sheet:		
Current portion of accrued postretirement benefit costs	$ 330,092	$ 285,878
Accrued postretirement benefit costs	5,982,683	5,363,074
Total	$ 6,312,775	$ 5,648,952

The following table sets forth the components of net periodic pension cost in 2014 and 2013:

	2014	2013
Service cost	$ 128,578	$ 127,995
Interest cost	251,484	219,456
Recognized net actuarial gain	(106,013)	(106,013)
Amortization of prior service cost	-	-
Net periodic benefit cost	$ 274,049	$ 241,438

The Corporation's contribution to the plan in 2015 is expected to be approximately $330,000.

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

The previously unrecognized components of net periodic postretirement benefits cost included in unrestricted net assets at June 30, 2014 and 2013 are as follows:

	2014	2013
Net actuarial (loss) gain	$ (404,446)	$ 156,516
Prior service cost	1,011,888	1,117,901
Total	$ 607,442	$ 1,274,417

Estimated amortization of prior service cost of $106,000 is expected to be recognized in net periodic postretirement benefit cost in 2015.

The weighted-average assumptions used in computing the benefit obligation at June 30, 2014 and 2013 are as follows:

	2014	2013
Discount rate	3 95 %	4 35 %
Rate of compensation increase	N/A	N/A

The weighted-average assumptions used in the measurement of net periodic postretirement benefit cost for the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Discount rate	4 35 %	3 75 %
Expected long-term return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A

Assumed healthcare costs trend rates at June 30, 2014 and 2013 are as follows:

	2014	2013
Health care cost trend rate assumed for next year	7 00 %	8 00 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5 00 %	5 00 %
Year that the rate reaches the ultimate trend rate	2018	2018

The healthcare cost trends were calculated based upon the Corporation's recent history of health insurance costs and projections of future increases of insurance benefits. The Corporation expects these trends in health insurance costs to continue throughout the period that the postretirement benefits are available to eligible employees. However, because of the inherent uncertainties in estimating these costs, it is at least reasonably possible that the estimates used will change in the near term.

The effects of a 1% increase or decrease in the assumed health care cost trend rates for 2014 and 2013 are as follows:

	2014	2013
1% Increase:		
Effect on total service and interest cost components	$ 55,717	$ 54,966
Effect on accumulated postretirement benefit obligation	847,558	729,246
1% Decrease:		
Effect on total service and interest cost components	(46,185)	(45,135)
Effect on accumulated postretirement benefit obligation	(707,820)	(613,519)

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

Years ending June 30:	
2015	$ 330,092
2016	347,122
2017	356,912
2018	372,001
2019	393,726
2020-2022	2,106,642

15. Temporarily and Permanently Restricted Net Assets

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30, 2014 and 2013:

	2014	2013
Purchases of property and equipment	$ 489,409	$ 677,515
Various operational purposes	1,374,066	690,735
Total	$ 1,863,475	$ 1,368,250

The Corporation released $791,751 in 2014 and $834,232 in 2013 of temporarily restricted net assets since the donors' restrictions had been met.

Permanently Restricted Net Assets

Permanently restricted net assets consist of permanent endowment funds held by the Corporation in perpetuity; the Corporation's beneficial interest in several perpetual trusts held by banks serving as trustee; and the Corporation's permanently restricted beneficial interest in a charitable remainder trust held by a third-party trustee. The terms of the perpetual trusts are such that the Corporation receives a portion of the income earned on the trust assets as earned in perpetuity. The terms of the charitable remainder trust are such that subsequent to certain events, the Corporation is entitled to a portion of the principal and income remaining in the trust. Trust assets consist primarily of marketable equity securities, debt securities, mutual funds, and cash equivalents and are recorded at their fair values as of June 30, 2014 and 2013 as follows:

	2014	2013
Permanent endowment funds, the income from which is expendable to support various healthcare services and provide nursing scholarships (reported as investment income)	$ 1,509,616	$ 1,463,500
Beneficial interest in perpetual trusts, the income from which is expendable to support healthcare services (reported as investment income)	4,195,588	3,793,240
Beneficial interest in charitable remainder trust, to be added to the Corporation's general endowment fund upon distribution	168,506	151,111
Total	$ 5,873,710	$ 5,407,851

16. Endowment Funds

The Corporation's endowment consists of 8 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Corporation has interpreted Pennsylvania law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as either temporarily restricted or unrestricted net assets based on the existence of donor restrictions or by law.

The Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the Corporation and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Corporation

(7) The investment policies of the Corporation

The Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Corporation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the performance results of Callan's median Balanced Fund database or a weighted index comprised of 35% S&P 500; 5% Russell 2000; 10% MSCI EAFE; 35% Barclays Capital Aggregate; 10% S&P 500 Alternatives; and 5% 90 day T-bills while assuming a moderate level of investment risk. The Corporation expects its endowment funds, over time, to provide an average rate of return of approximately 7 percent annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Corporation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Corporation has a policy of appropriating for distribution each year 5 percent of its endowment funds' average fair value over the prior 12 quarters through the calendar year-end proceeding the fiscal year in which the distribution is planned. In establishing this policy, the Corporation considered the long-term expected return on its endowment. Accordingly, over the long term, the Corporation expects the current spending policy to allow its endowment to grow at an average rate of 4 percent annually. This is consistent with the Corporation's objective to maintain the purchasing power of the endowment assets in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of June 30, 2014 consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 530,542	$ 1,509,616	$ 2,040,158
Board-designated endowment funds	304,011	-	-	304,011
Total endowment funds	$ 304,011	$ 530,542	$ 1,509,616	$ 2,344,169

Changes in endowment net assets for the year ended June 30, 2014 consist of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 270,761	$ 358,559	$ 1,463,500	$ 2,092,820
Investment return:				
Investment income	-	52,059	(1,160)	50,899
Net appreciation (realized and unrealized)	33,250	185,905	-	219,155
Total investment return	33,250	237,964	(1,160)	270,054
Contributions	-	-	47,276	47,276
Appropriation of endowment assets for expenditure	-	(65,981)	-	(65,981)
	$ 304,011	$ 530,542	$ 1,509,616	$ 2,344,169

Endowment net asset composition by type of fund as of June 30, 2013 consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 358,559	$ 1,463,500	$ 1,822,059
Board-designated endowment funds	270,761	-	-	270,761
Total endowment funds	$ 270,761	$ 358,559	$ 1,463,500	$ 2,092,820

Changes in endowment net assets for the year ended June 30, 2013 consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 251,277	$ 298,306	$ 1,360,151	$ 1,909,734
Investment return:				
Investment income	-	67,050	(8,192)	58,858
Net appreciation (realized and unrealized)	19,484	50,779	-	70,263
Total investment return	19,484	117,829	(8,192)	129,121
Contributions	-	-	111,541	111,541
Appropriation of endowment assets for expenditure	-	(57,576)	-	(57,576)
	$ 270,761	$ 358,559	$ 1,463,500	$ 2,092,820

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or law requires the Corporation to retain as a fund of perpetual duration. In accordance with accounting principles accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets.

17. Pledges Receivable

Capital pledge campaigns have been undertaken to raise funds in connection with various construction and renovation projects at the Corporation. Pledges related to these campaigns have been recorded as temporarily restricted contributions.

Pledges receivable are recorded as follows as of June 30, 2014 and 2013:

	2014	2013
Capital campaign pledges before unamortized discount and allowance for uncollectible pledges	$ 514,783	$ 764,992
Less unamortized discount	13,895	10,977
Total	500,888	754,015
Less allowance for uncollectible pledges	51,478	76,500
Net unconditional promises to give	$ 449,410	$ 677,515

	2014	2013
Amounts due in:		
Less than one year	$ 113,368	$ 407,171
One to five years	401,415	357,821
Total	$ 514,783	$ 764,992

The net present value of these cash flows was determined using a discount rate of 4% to account for the time value of money for 2014 and 2013.

18. Medical Malpractice Claims Coverage

At June 30, 2014, the Corporation's medical malpractice insurance coverages are provided under the provisions of four insurance arrangements, as follows:

Primary coverage - Primary coverage is provided under the terms of an insurance contract which covers losses, if any, which are reported during the period the contract is in force, "claims-made coverage," subject to the per occurrence and aggregate limits of such contract.

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

Umbrella coverage - The Corporation has an umbrella liability insurance contract which insures against losses in excess of the primary or MCARE coverage reported during the period of policy coverage.

Excess coverage - The Corporation has an excess liability insurance contract, which insures against losses in excess of the above coverages reported during the period of policy coverage.

The above primary, umbrella, and excess coverages are provided by Community Hospital Alternative for Risk Transfer ("CHART"). CHART has been formed as a reciprocal risk retention group to provide liability insurance, reinsurance, and risk management services for its subscribers. Effective May 1, 2002, the Corporation became a subscriber in CHART. The Corporation invested $2,472,060 at June 30, 2014 and $2,358,300 at June 30, 2013 in CHART and this investment is included in other assets in the accompanying consolidated balance sheet (Note 7). This investment is accounted for using the cost method since the Corporation's ownership interest is less than twenty percent.

The Corporations' estimated future payments of its asserted and unasserted medical malpractice claims liability was $1,618,110 June 30, 2014 (of which $777,239 is recorded as insurance recoveries receivable) and $1,973,530 at June 30, 2013 (of which $1,208,969 is recorded as insurance recoveries receivable), using a discount rate of 3% at June 30, 2014 and 2.89% at June 30, 2013.

The Corporation believes it has adequate insurance coverages for all asserted claims and it has no knowledge of unasserted claims, which would exceed its insurance coverages.

19. Self-Funded Insurance Plans

The Corporation self-insures its employee health and dental insurance coverages. The Corporation has accrued the estimated cost of incurred and reported and incurred but not reported claims based upon data provided by the third-party administrators of the program, its historical claims experience, and its individual medical stop-loss insurance coverage. There is no aggregate stop loss insurance coverage.

The Corporation maintains a self-funded plan for workers' compensation insurance costs. The Corporation has accrued the estimated cost of incurred and reported and incurred but not reported claims based upon data provided by the third-party administrator of the program, its historical claims experience, and the terms of its excess workers' compensation insurance policy. Under the terms of this policy, the Corporation is subject to a maximum retention of $350,000 per occurrence and a per occurrence and aggregate policy limit of $1,000,000. The Corporation also maintains a $800,000 surety bond to secure its future obligations under the terms of this self-insurance program.

20. Concentrations of Credit Risk

The Corporation grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements, primarily with Medicare, Medical Assistance, Capital Blue Cross, Highmark Blue Shield, and various commercial insurance companies. The Corporation maintains allowances for potential credit losses and such losses have historically been within management's expectations.

The Corporation maintains its cash and cash equivalent balances with various financial institutions. Total cash balances in each financial institution are insured up to $250,000.

21. Future Rentals

The following is a schedule by year of the annual minimum future rentals due to the Corporation under the terms of noncancelable operating leases as of June 30, 2014:

Years ending June 30:	
2015	$ 355,177
2016	177,859
2017	81,290
Total	$ 614,326

The Corporation expects to renew and/or lease space at the expiration of operating leases in effect as of June 30, 2014.

22. Commitments

Operating Leases

The Corporation leases certain real estate and equipment under the terms of noncancelable operating leases.

The following is a schedule by year of the future minimum payments required under operating leases as of June 30, 2014:

Years ending June 30:	
2015	$ 2,142,353
2016	1,589,890
2017	1,111,013
2018	999,306
2019	763,325
Thereafter	197,299
Total	$ 6,803,186

Rent expense amounted to approximately $1,850,000 in 2014 and $1,639,000 in 2013.

23. Contingencies

Healthcare Industry

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

Asbestos Removal

The Corporation's facilities, a portion of which were constructed prior to the passage of the Clean Air Act, contain encapsulated asbestos material. Current law requires that this asbestos be removed in an environmentally safe fashion prior to the demolition and renovation of the facilities. At this time, the Corporation has no plans to demolish or renovate its facilities that contain encapsulated asbestos material, and as such, cannot reasonably estimate the fair value of the liability for such asbestos removal. If plans change with respect to the use of its facilities and information becomes available to estimate such a liability, it will be recognized at that time.

24. Functional Expenses

The Corporation provides general acute care and related services to individuals within its geographic region. Expenses related to providing these services in 2014 and 2013 are approximately as follows (In thousands):

	2014	2013
Healthcare and other related services	$ 148,540	$ 134,929
General and administrative	26,070	22,970
Fundraising	474	680
Total expenses	$ 175,084	$ 158,579

25. Business and Credit Concentrations

The Corporation grants credit to patients, substantially all of whom are local residents. The Corporation generally does not require collateral or other security in extending credit; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits receivable under their health insurance programs, plans or policies.

At June 30, 2014 and 2013, concentrations of receivables from third-party payors and others are as follows:

	2014	2013
Medicare	26 %	40 %
Medicaid	3	6
Blue Cross / Blue Shield	29	21
Other third party payers	31	23
Patients (self-pay)	11	10
	100 %	100 %

26. Subsequent Event

On July 1, 2014, the Corporation entered into an asset purchase agreement with OB/GYN Associates of Lewisburg for the purchase of certain assets used in OB/GYN Associates of Lewisburg's services for approximately $800,000.

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2014

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc	Evangelical Medical Services Organization	Evangelical Ambulatory Surgical Center, LLC	Eliminations	Consolidated
Assets						
Current Assets						
Cash and cash equivalents	$ 23,924,409	$ -	$ 593,413	$ 137,064	$ -	$ 24,654,886
Assets whose use is limited under trust indenture, held by trustee	1,892,820	-	-	-	-	1,892,820
Accounts receivable						
Patients (net of estimated allowance for doubtful accounts of ($8,924,000)	13,770,816	-	1,945,259	188,270	-	15,904,345
Other	360,598	-	79,586	-	-	440,184
Affiliates	854,664	-	105,871	24,887	(985,422)	-
Current portion of note receivable	1,370,070	-	-	-		1,370,070
Inventories of drugs and supplies	3,411,943	-	289,659	113,921	-	3,815,523
Prepaid expenses and other current assets	2,554,126	-	526,807	59,086	-	3,140,019
Total current assets	48,139,446	-	3,540,595	523,228	(985,422)	51,217,847
Assets Whose Use is Limited						
By Board for future capital improvements	71,978,731	-	-	-	-	71,978,731
Internally designated for deferred compensation plans	1,601,848	-	10,700,852	-	-	12,302,700
Under trust indenture, held by trustee	2,298,594	-	-	-	-	2,298,594
Board-designated unrestricted contributions	3,873,922	-	-	-	-	3,873,922
Long-Term Investments	2,040,155	-	-	-	-	2,040,155
Beneficial Interest in Perpetual Trusts	4,195,588	-	-	-	-	4,195,588
Beneficial Interest in Charitable Remainder Trusts	286,247	-	-	-	-	286,247
Pledges Receivable, Net	449,410	-	-	-	-	449,410
Note Receivable	-	-	219,861	-	-	219,861
Property and Equipment, Net	118,421,887	-	386,018	309,820	-	119,117,725
Goodwill	3,175,259	-	1,065,998	-	-	4,241,257
Estimated Medical Malpractice Insurance Recoveries	426,791	-	350,448	-	-	777,239
Deferred Financing Costs and Other Assets, Net	4,149,798	-	-	-	-	4,149,798
Total assets	$ 261,037,676	$ -	$ 16,263,772	$ 833,048	$ (985,422)	$ 277,149,074

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2014

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc	Evangelical Medical Services Organization	Evangelical Ambulatory Surgical Center, LLC	Eliminations	Consolidated
Liabilities and Net Assets						
Current Liabilities						
Current maturities of						
Hospital revenue bonds	$ 1,874,061	$ -	$ -	$ -	$ -	$ 1,874,061
Notes payable	78,515	-	-	-	-	78,515
Capital lease obligations	1,077,448	-	-	-	-	1,077,448
Accounts payable						
Trade	6,598,129	-	408,750	14,885	-	7,021,764
Construction	-	-	-	-	-	-
Affiliates	130,758	-	621,696	232,968	(985,422)	-
Accrued expenses	10,692,447	-	3,455,219	92,359	-	14,240,025
Blue Cross current financing advance	3,287,199	-	-	-	-	3,287,199
Estimated third-party payor settlements	2,121,618	-	-	-	-	2,121,618
Current portion of accrued postretirement benefit costs	330,092	-	-	-	-	330,092
Total current liabilities	26,190,267	-	4,485,665	340,212	(985,422)	30,030,722
Long-Term Debt						
Hospital revenue bonds	44,020,637	-	-	-	-	44,020,637
Notes payable	515,909	-	-	-	-	515,909
Capital lease obligations	1,534,875	-	-	-	-	1,534,875
Deferred Compensation	1,678,275	-	13,603,306	-	-	15,281,581
Charitable Gift Annuities Payable	755,163	-	-	-	-	755,163
Accrued Postretirement Benefit Costs	5,982,683	-	-	-	-	5,982,683
Estimated Medical Malpractice Claims Liability	854,816	-	763,294	-	-	1,618,110
Total liabilities	81,532,625	-	18,852,265	340,212	(985,422)	99,739,680
Net Assets (Deficit)						
Unrestricted	171,767,866	-	(2,588,493)	492,836	-	169,672,209
Temporarily restricted	1,863,475	-	-	-	-	1,863,475
Permanently restricted	5,873,710	-	-	-	-	5,873,710
Total net assets (deficit)	179,505,051	-	(2,588,493)	492,836	-	177,409,394
Total liabilities and net assets	$ 261,037,676	$ -	$ 16,263,772	$ 833,048	$ (985,422)	$ 277,149,074

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule Statement of Operations
Year Ended June 30 2014

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc	Evangelical Medical Services Organization	Evangelical Ambulatory Surgical Center, LLC	Eliminations	Consolidated
Unrestricted Revenues, Gains, and Other Support						
Patient service revenues (net of contractual allowances and discounts)	$ 163 098 099	$ -	$ 23 786 245	$ 1 310 226	$ -	$ 188 194 570
Provision for bad debts	(10 964 153)	(15 597)	(1 482 247)	(37 736)	-	(12 499 733)
Net patient service revenues less provision for bad debts	152 133 946	(15 597)	22 303 998	1 272 490	-	175 694 837
Other revenues	5 678 796	1 143 529	3 136 067	52 892	(3 216 989)	6 794 295
Net assets released from restrictions	250 021	-	-	-	-	250 021
(Loss) gain on the sale and disposal of property and equipment	(25 263)	35 443	-	-	-	10 180
Total unrestricted revenues gains and other support	158 037 500	1 163 375	25 440 065	1 325 382	(3 216 989)	182 749 333
Expenses						
Salaries and wages	57 266 752	304 082	5 730 937	872 104	-	64 173 875
Supplies and expenses	24 925 713	313 158	1 143 947	245 127	-	26 627 945
Employee benefits	17 264 440	112 440	5 346 822	211 024	-	22 934 726
Purchased services	18 265 918	-	2 185 195	213 836	(1 566 906)	19 098 043
Physician salaries and fees	1 824 313	142 445	16 910 543	30 000	(513 414)	18 393 887
Depreciation	10 163 381	179 980	85 727	86 703	-	10 515 791
Other expenses	4 273 196	80 593	1 492 231	507 968	(1 131 670)	5 222 318
Utilities	3 122 791	3 591	171 793	2 717	(4 999)	3 295 893
Interest (net of capitalized interest of $143 892)	2 389 484	-	-	-	-	2 389 484
Insurance	824 110	11 075	899 392	17 101	-	1 751 678
Contract labor	617 378	-	9 289	4 720	-	631 387
Amortization	48 710	-	-	-	-	48 710
Total expenses	140 986 186	1 147 364	33 975 876	2 191 300	(3 216 989)	175 083 737
Operating income (loss)	17 051 314	16 011	(8 535 811)	(865 918)	-	7 665 596
Other Income (Loss)						
Investment income	8 832 840	-	-	-	-	8 832 840
Contributions	1 174 841	-	-	-	-	1 174 841
Equity in income of investees	191 618	-	-	-	-	191 618
Loss on refinancing of debt	(1 443 953)	-	-	-	-	(1 443 953)
Total other income	8 755 346	-	-	-	-	8 755 346
Revenues in excess of (less than) expenses	25 806 660	16 011	(8 535 811)	(865 918)	-	16 420 942
Grant Income Used for Long-Term Purposes	231 000	-	-	-	-	231 000
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	541 730	-	-	-	-	541 730
Postretirement Benefit Liability Adjustment	(666 975)	-	-	-	-	(666 975)
Transfers	(6 672 620)	(1 527 380)	8 200 000	-	-	-
Increase (decrease) in unrestricted net assets	$ 19 239 795	$ (1 511 369)	$ (335 811)	$ (865 918)	$ -	$ 16 526 697

Evangelical Community Hospital and Controlled Entities

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

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Evangelical Ambulatory Surgical Center, LLC	Eliminations	Consolidated
Unrestricted Net Assets						
Revenues in excess of (less than) expenses	$ 25,806,660	$ 16,011	$ (8,535,811)	$ (865,918)	$ -	$ 16,420,942
Grant income used for long-term purposes	231,000	-	-	-	-	231,000
Net assets released from restrictions used for purchase of property and equipment	541,730	-	-	-	-	541,730
Postretirement benefit liability adjustment	(666,975)	-	-	-	-	(666,975)
Transfers	(6,672,620)	(1,527,380)	8,200,000	-	-	-
Increase (decrease) in unrestricted net assets	19,239,795	(1,511,369)	(335,811)	(865,918)	-	16,526,697
Temporarily Restricted Net Assets						
Contributions and grants	1,098,949	-	-	-	-	1,098,949
Investment income	171,983	-	-	-	-	171,983
Change in value of split-interest agreement	16,044	-	-	-	-	16,044
Net assets released from restrictions	(791,751)	-	-	-	-	(791,751)
Increase in temporarily restricted net assets	495,225	-	-	-	-	495,225
Permanently Restricted Net Assets						
Valuation gain	402,348	-	-	-	-	402,348
Contributions	47,276	-	-	-	-	47,276
Change in value of split-interest agreement	17,395	-	-	-	-	17,395
Investment loss	(1,160)	-	-	-	-	(1,160)
Increase in permanently restricted net assets	465,859	-	-	-	-	465,859
Increase (decrease) in net assets	20,200,879	(1,511,369)	(335,811)	(865,918)	-	17,487,781
Net Assets (Deficit), Beginning	159,304,172	1,511,369	(2,252,682)	1,358,754	-	159,921,613
Net Assets (Deficit), Ending	$ 179,505,051	$ -	$ (2,588,493)	$ 492,836	$ -	$ 177,409,394

Evangelical Community Hospital And Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2013

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc	Evangelical Medical Services Organization	Evangelical Ambulatory Surgical Center, LLC	Eliminations	Consolidated
Assets						
Current Assets						
Cash and cash equivalents	$ 10,132,077	$ 753,320	$ 122,892	$ 355,111	$ -	$ 11,363,400
Assets whose use is limited under trust indenture, held by trustee	2,697,755	-	-	-	-	2,697,755
Accounts receivable						
Patients (net of estimated allowance for doubtful accounts of $7,609,000)	12,581,056	-	1,568,305	436,849	-	14,586,210
Other (net of estimated allowance for doubtful accounts of $32,000)	209,390	115,981	184,764	-	-	510,135
Affiliates	248,599	-	-	-	(248,599)	-
Estimated third-party payor settlements	439,748	-	-	-	-	439,748
Current portion of note receivable	124,715	-	-	-	-	124,715
Inventories of drugs and supplies	3,003,747	127,465	129,504	390,848	-	3,651,564
Prepaid expenses and other current assets	2,225,134	11,034	325,329	91,533	-	2,653,030
Total current assets	31,662,221	1,007,800	2,330,794	1,274,341	(248,599)	36,026,557
Assets Whose Use is Limited						
By Board for future capital improvements	64,097,767	-	-	-	-	64,097,767
Internally designated for deferred compensation plans	1,995,962	-	8,526,150	-	-	10,522,112
Under trust indenture, held by trustee	4,030,117	-	-	-	-	4,030,117
Board-designated unrestricted contributions	3,112,567	-	-	-	-	3,112,567
Long-Term Investments	1,822,059	-	-	-	-	1,822,059
Beneficial Interest in Perpetual Trusts	3,793,240	-	-	-	-	3,793,240
Beneficial Interest in Charitable Remainder Trusts	252,808	-	-	-	-	252,808
Pledges Receivable, Net	677,515	-	-	-	-	677,515
Note Receivable	1,221,532	-	-	-	-	1,221,532
Property and Equipment, Net	118,836,944	663,336	237,545	362,107	-	120,099,932
Goodwill	1,785,940	-	581,278	-	-	2,367,218
Estimated Medical Malpractice Insurance Recoveries	1,155,136	-	53,833	-	-	1,208,969
Deferred Financing Costs and Other Assets, Net	4,359,678	-	-	-	-	4,359,678
Total assets	$ 238,803,486	$ 1,671,136	$ 11,729,600	$ 1,636,448	$ (248,599)	$ 253,592,071

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Balance Sheet
June 30, 2013

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Evangelical Ambulatory Surgical Center, LLC	Eliminations	Consolidated
Liabilities and Net Assets						
Current Liabilities						
Current maturities of						
Hospital revenue bonds	$ 1,715,000	$ -	$ -	$ -	$ -	$ 1,715,000
Notes payable	877,734	-	-	-	-	877,734
Capital lease obligations	1,065,115	-	-	-	-	1,065,115
Accounts payable						
Trade	3,978,366	69,200	227,878	27,484	-	4,302,928
Construction	1,601,150	-	-	-	-	1,601,150
Affiliates	-	56,153	53,552	138,894	(248,599)	-
Accrued expenses	9,755,740	34,414	2,229,721	111,316	-	12,131,191
Blue Cross current financing advance	1,057,200	-	-	-	-	1,057,200
Current portion of accrued postretirement benefit costs	285,878	-	-	-	-	285,878
Total current liabilities	20,336,183	159,767	2,511,151	277,694	(248,599)	23,036,196
Long-Term Debt						
Hospital revenue bonds	46,620,000	-	-	-	-	46,620,000
Notes payable	719,424			-		719,424
Capital lease obligations	1,977,642	-	-	-	-	1,977,642
Deferred Compensation	2,152,608	-	11,126,684	-	-	13,279,292
Charitable Gift Annuities Payable	701,300	-	-	-	-	701,300
Accrued Postretirement Benefit Costs	5,363,074	-	-	-	-	5,363,074
Estimated Medical Malpractice Claims Liability	1,629,083	-	344,447	-	-	1,973,530
Total liabilities	79,499,314	159,767	13,982,282	277,694	(248,599)	93,670,458
Net Assets (Deficit)						
Unrestricted	152,528,071	1,511,369	(2,252,682)	1,358,754	-	153,145,512
Temporarily restricted	1,368,250	-	-	-	-	1,368,250
Permanently restricted	5,407,851	-	-	-	-	5,407,851
Total net assets (deficit)	159,304,172	1,511,369	(2,252,682)	1,358,754	-	159,921,613
Total liabilities and net assets	$ 238,803,486	$ 1,671,136	$ 11,729,600	$ 1,636,448	$ (248,599)	$ 253,592,071

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule Statement of Operations

Year Ended June 30 2013

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc	Evangelical Medical Services Organization	Evangelical Ambulatory Surgical Center, LLC	Eliminations	Consolidated
Unrestricted Revenues, Gains, and Other Support						
Patient service revenues (net of contractual allowances and discounts)	$ 140 890 622	$ -	$ 19 441 203	$ 4 094 413	$ -	$ 164 426 238
Provision for bad debts	(8 821 268)	(80 395)	(1 356 392)	(112 391)	-	(10 370 446)
Net patient service revenues less provision for bad debts	132 069 354	(80 395)	18 084 811	3 982 022	-	154 055 792
Other revenues	5 951 236	1 881 099	2 529 819	3 284	(2 639 025)	7 726 413
Net assets released from restrictions	231 271	-	-	-	-	231 271
Loss on the sale and disposal of property and equipment	(10 074)	-	-	-	-	(10 074)
Total unrestricted revenues gains and other support	138 241 787	1 800 704	20 614 630	3 985 306	(2 639 025)	162 003 402
Expenses						
Salaries and wages	53 927 864	466 988	4 335 281	1 840 557	-	60 570 690
Supplies and expenses	22 539 392	437 520	417 725	855 522	-	24 250 159
Employee benefits	16 662 687	168 211	3 944 424	479 877	-	21 255 199
Purchased services	16 206 373	-	1 920 502	278 531	(1 206 536)	17 198 870
Physician salaries and fees	2 009 932	179 848	13 182 643	175 239	(482 518)	15 065 144
Depreciation	8 870 995	277 731	75 967	113 960	-	9 338 653
Other expenses	3 542 600	149 592	1 106 517	605 995	(949 971)	4 454 733
Utilities	2 718 459	6 413	132 053	6 319	-	2 863 244
Interest (net of capitalized interest of $208 538)	2 427 998	-	-	-	-	2 427 998
Insurance	42 144	18 817	595 935	31 798	-	688 694
Contract labor	388 820	-	-	-	-	388 820
Amortization	76 451	-	-	-	-	76 451
Total expenses	129 413 715	1 705 120	25 711 047	4 387 798	(2 639 025)	158 578 655
Operating income (loss)	8 828 072	95 584	(5 096 417)	(402 492)	-	3 424 747
Other Income						
Investment income	5 394 554	-	-	-	-	5 394 554
Contributions	1 377 721	-	-	-	-	1 377 721
Equity in income of investees	51 730	-	-	-	-	51 730
Total other income	6 824 005	-	-	-	-	6 824 005
Revenues in excess of (less than) expenses	15 652 077	95 584	(5 096 417)	(402 492)	-	10 248 752
Grant Income Used for Long-Term Purposes	638 321	-	-	-	-	638 321
Net Assets Released from Restrictions Used for Purchase of Property and Equipment	602 962	-	-	-	-	602 962
Postretirement Benefit Liability Adjustment	645 282	-	-	-	-	645 282
Acquisition of Evangelical Ambulatory Surgical Center, LLC	(818 271)	-	-	-	818 271	-
Transfers	(5 392 975)	(300 000)	4 750 000	-	942 975	-
Increase (decrease) in unrestricted net assets	$ 11 327 396	$ (204 416)	$ (346 417)	$ (402 492)	$ 1 761 246	$ 12 135 317

Evangelical Community Hospital and Controlled Entities

Consolidating Schedule, Statement of Changes in Net Assets (Deficit)

Year Ended June 30, 2013

	Evangelical Community Hospital	Evangelical Community Hospital Pharmacy & Home Care Products, Inc.	Evangelical Medical Services Organization	Evangelical Ambulatory Surgical Center, LLC	Eliminations	Consolidated
Unrestricted Net Assets						
Revenues in excess of (less than) expenses	$ 15,652,077	$ 95,584	$ (5,096,417)	$ (402,492)	$ -	$ 10,248,752
Grant income used for long-term purposes	638,321			-		638,321
Net assets released from restrictions used for purchase of property and equipment	602,962	-	-	-	-	602,962
Postretirement benefit liability adjustment	645,282	-	-	-		645,282
Acquisition of Evangelical Ambulatory Surgical Center, LLC	(818,271)			-	818,271	
Transfers	(5,392,975)	(300,000)	4,750,000	-	942,975	-
Increase (decrease) in unrestricted net assets	11,327,396	(204,416)	(346,417)	(402,492)	1,761,246	12,135,317
Temporarily Restricted Net Assets						
Contributions and grants	743,848	-	-	-	-	743,848
Investment income	60,253	-	-	-	-	60,253
Change in value of split-interest agreement	2,906	-	-	-	-	2,906
Net assets released from restrictions	(834,232)	-	-	-	-	(834,232)
Decrease in temporarily restricted net assets	(27,225)	-	-	-	-	(27,225)
Permanently Restricted Net Assets						
Valuation gain	238,780	-	-	-	-	238,780
Contributions	111,541	-	-	-	-	111,541
Change in value of split-interest agreement	10,426	-	-	-	-	10,426
Investment loss	(8,192)	-	-	-	-	(8,192)
Increase in permanently restricted net assets	352,555	-	-	-	-	352,555
Increase (decrease) in net assets	11,652,726	(204,416)	(346,417)	(402,492)	1,761,246	12,460,647
Net Assets (Deficit), Beginning	147,651,446	1,715,785	(1,906,265)	1,761,246	(1,761,246)	147,460,966
Net Assets (Deficit), Ending	$ 159,304,172	$ 1,511,369	$ (2,252,682)	$ 1,358,754	$ -	$ 159,921,613