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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
ROBERT PACKER HOSPITAL

Doing Business As

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

City or town, state or province, country, and ZIP or foreign postal code
SAYRE, PA 18840

D Employer identification number
24-0795463

E Telephone number
(570) 887-4625

G Gross receipts $ 754,985,840

F Name and address of principal officer
MARIE DROEGE
GUTHRIE SQUARE
SAYRE, PA 18840

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 GUTHRIE ORG

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

L Year of formation 1885

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
ROBERT PACKER HOSPITAL PROVIDES HEALTHCARE SERVICES TO RESIDENTS OF TO THE SURROUNDING COMMUNITY ON AN IN-PATIENT AND OUT-PATIENT BASIS APPROXIMATELY 14,907 PATIENTS WERE ADMITTED TO RPH IN FYE 6/30/14

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**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	2,031
6	Total number of volunteers (estimate if necessary)	**6**	181
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	1,090,408	165,331
	9 Program service revenue (Part VIII, line 2g)	258,818,356	273,299,023
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	16,463,128	12,037,853
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,282,510	6,764,817
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	281,654,402	292,267,024
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	15,925	16,250
	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)	95,902,278	94,952,374
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	143,472,952	149,435,111
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	239,391,155	244,403,735
	19 Revenue less expenses Subtract line 18 from line 12	42,263,247	47,863,289

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	463,856,823	525,453,121
	21 Total liabilities (Part X, line 26)	207,701,305	204,054,115
	22 Net assets or fund balances Subtract line 21 from line 20	256,155,518	321,399,006

Part II Signature Block

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

Sign Here

Signature of officer — Date: 2015-05-08

MARIE DROEGE PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MATTHEW D PETROSKI				P00853132

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

Firm's address ▶ 2001 MARKET ST SUITE 1700
PHILADELPHIA, PA 19103

Phone no (570) 887-4625

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

ROBERT PACKER HOSPITAL IS AN AFFILIATE OF THE GUTHRIE CLINIC The Guthrie Clinic is a nonprofit health care organization incorporated for the purpose of conducting exclusively charitable, scientific and educational activities The Guthrie Clinic (TGC) acts as the parent of an integrated Section 501(c)(3) health care delivery system, consisting of the corporation and other directly and indirectly controlled entities (See Form 990, Schedule R, for a listing of the affiliates of TGC) including but not limited to Guthrie Medical Group, P C (GMG) and Robert Packer Hospital (RPH) Through the activities of GMG, RPH and its other affiliates (collectively referred to as "Guthrie"), The Guthrie Clinic provides charitable community-based health care services and programs to improve the health and well-being of the people and communities served by its facilities and providers These charitable activities include providing primary care and specialty physician services, as well as operating a terti

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 $ 165,339,736 including grants of $) (Revenue $ 272,962,007)

ROBERT PACKER HOSPITAL PROVIDES HEALTHCARE SERVICES TO RESIDENTS OF THE SURROUNDING COMMUNITY ON AN IN-PATIENT AND OUT-PATIENT BASIS APPROXIMATELY 14,907 PATIENTS WERE ADMITTED TO THE HOSPITAL IN FYE 6/30/2014 PATIENT DAYS TOTALED 66,737

4b (Code) (Expenses $ 11,231,506 including grants of $ 16,250) (Revenue $ 337,016)

ROBERT PACKER HOSPITAL PROVIDES EDUCATIONAL SERVICES TO ITS EMPLOYEES AND MEMBERS OF THE COMMUNITY THE FOLLOWING EDUCATIONAL SERVICES ARE PROVIDED 1) X-RAY TECHNOLOGY, 2) RESPIRATORY THERAPY, 3) MEDICAL RESIDENTS & STUDENTS, 4) LABORATORY TECHNOLOGY, AND 5) ROBERT PACKER SCHOOL OF NURSING (AN AFFILIATE)

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** ▶ 176,571,242

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		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		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	1		
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	2,031		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			No
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** 15		
	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** 10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

Section C. Disclosure

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

▶ MICHELE Y SISTO ONE GUTHRIE SQUARE
SAYRE, PA 18840 (570) 887-4625

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MARIE DROEGE PRESIDENT & COO	26 0 14 0	X		X				468,465	0	16,328
(2) DAVID LR GIBBS CHAIRMAN BOD	1 0 0 0	X								
(3) JOSEPH R JOYCE VICE CHAIR BOD	1 0 0 0	X								
(4) DANIEL J BROWN MD MEMBER BOD	1 0 39 0	X						0	427,922	46,080
(5) MARVIN L FISHER II MEMBER BOD	1 0 0 0	X								
(6) DEAN W HOSTERMAN MEMBER BOD	1 0 0 0	X								
(7) RHONDA G MOSS-TATICH SECRETARY/TREASURER BOD	1 0 0 0	X								
(8) THOMAS VANDERMEER MD MEMBER BOD	1 0 39 0	X						0	447,897	46,080
(9) SEAN NICHOLSON MEMBER BOD	1 0 0 0	X								
(10) DOUGLAS G RICH MEMBER BOD	1 0 0 0	X								
(11) DANIEL SPORN MD MEMBER BOD	1 0 39 0	X						0	568,499	46,080
(12) GEORGE ELLIS MD EMERGENCY MEDICINE CHAIRMAN	40 0 0 0	X						499,261	0	58,050
(13) GAIL ORCHARD MEMBER BOD	1 0 0 0	X								
(14) JACKSON C FAULKNER MEMBER BOD	1 0 0 0	X								
(15) MICHAEL NARCAVAGE III MEMBER BOD	1 0 0 0	X								
(16) JOSEPH A SCOPELLITI MD MEMBER BOD	1 0 39 0	X						0	722,533	41,496
(17) RICHARD T RYNONE MEMBER BOD	1 0 0 0	X								

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MINH DANG CFO	38 5 1 5				X			0	256,950	36,224
(19) BONNIE ONOFRE CHIEF NURSING OFFICER	36 0 4 0				X			206,302	0	17,745
(20) BARBARA PENNYPACKER VP SURGICAL SERVICES	20 0 20 0				X			150,982	0	22,096
(21) DAVID CHANNIN MD CHAIR MEDICAL IMAGING	26 0 14 0				X			0	471,039	46,080
(22) JOSEPH SAWYER VP IMAGING & ANCILLARY TESTING	26 0 14 0				X			164,019	0	21,391
(23) CHARLES MCGURK PHYSICIAN	40 0 0 0					X		380,234	0	25,330
(24) DANIEL TALENTI RADIATION PHYSICIST	40 0 0 0					X		145,974	0	20,730
(25) RUSSELL BURKETT PHYSICIAN	40 0 0 0					X		285,112	0	25,580
(26) MARC HARRIS PHYSICIAN	40 0 0 0					X		322,686	0	16,328
(27) JAMES RAFTIS PHYSICIAN	40 0 0 0					X		306,449	0	25,580

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	2,929,484	2,894,840	511,198

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 ▶ 94

			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
WELLIVER MCGUIRE INC, 250 NORTH GENESEE ST MONTOUR FALLS NY 14865	CONTRACTOR SERVICES	7,738,500
EXECUTIVE HEALTH RESOURCE, PO BOX 822688 PHILADELPHIA PA 19182	HEALTH PROF SERVICES	1,037,328
MEDICAL DOCTOR ASSOCIATES, PO BOX 277185 ATLANTA GA 30384	HEALTH PROF SERVICES	746,026
PARIS COMPANIES, 3850 REACH ROAD WILLIAMSPORT PA 17701	CONTRACTOR SERVICES	648,849
DIVERSIFIED, PO BOX 636981 CINCINNATI OH 45263	HEALTH PROF SERVICE	604,874

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 ▶ 25

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e	17,122			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	148,209			
	g	Noncash contributions included in lines 1a-1f $		553			
	h	**Total.** Add lines 1a-1f . . . . . ▶		165,331			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621990	133,540,845	133,540,845		
	b	EDUCATIONAL SERVICES	611600	337,016	337,016		
	c	MEDICARE AND MEDICAID PAYMENTS	621990	135,651,755	135,651,755		
	d	MEANINGFUL USE/MITIGATION/STABILITY	621990	3,769,407	3,769,407		
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		273,299,023			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		7,440,651			7,440,651
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)	0	0			
	d	Net rental income or (loss) . . . . . ▶		0			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	467,267,311	48,707			
	b	Less cost or other basis and sales expenses	462,538,714	180,102			
	c	Gain or (loss)	4,728,597	-131,395			
	d	Net gain or (loss) . . . . . ▶		4,597,202			4,597,202
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶		0			
Other Revenue		Miscellaneous Revenue	Business Code				
	11a	CHANGE IN DERIVATIVE INSTRUMENT	622110	-3,116,315			-3,116,315
	b	ALL OTHER REVENUE		9,881,132			9,881,132
	c						
	d	All other revenue		9,881,132			9,881,132
	e	**Total.** Add lines 11a–11d . . . . . ▶		6,764,817			
	12	**Total revenue.** See Instructions . . . . . ▶		292,267,024	273,299,023		18,802,670

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	0			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	16,250	16,250		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	1,624,639	730,389	894,250	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	74,463,903	62,716,419	11,747,484	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,216,349	2,683,363	532,986	
9 Other employee benefits	9,952,692	7,773,714	2,178,978	
10 Payroll taxes	5,694,791	4,751,100	943,691	
11 Fees for services (non-employees)				
a Management	10,411,045	1,540,172	8,870,873	
b Legal	85,068		85,068	
c Accounting	2,233,993		2,233,993	
d Lobbying	21,486		21,486	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	32,888,557	28,235,805	4,652,752	
12 Advertising and promotion	71,294	64,596	6,698	
13 Office expenses	12,042,161	3,885,149	8,157,012	
14 Information technology	5,965,690	1,249,889	4,715,801	
15 Royalties . .	0			
16 Occupancy	5,370,266	971,232	4,399,034	
17 Travel	432,994	389,775	43,219	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	184,757	169,538	15,219	
20 Interest	4,239,014	4,001	4,235,013	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	14,546,899	40,806	14,506,093	
23 Insurance	91,992	740,790	-648,798	
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 OTHER	1,230,135	451,200	778,935	
b MEDICAL SUPPLY EXPENSE	58,882,872	59,770,596	-887,724	
c CAFETERIA/CATERING	538,601	386,458	152,143	
d ACCRETION EXPENSE	198,287		198,287	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	244,403,735	176,571,242	67,832,493	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		4,943,758	2	7,777,096
	3	Pledges and grants receivable, net		500	3	0
	4	Accounts receivable, net		32,567,812	4	31,952,581
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		6,157,682	8	6,039,868
	9	Prepaid expenses and deferred charges		4,843,377	9	5,289,817
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 271,870,680			
	b	Less accumulated depreciation	10b 170,010,181	93,407,332	10c	101,860,499
	11	Investments—publicly traded securities		316,784,305	11	364,109,959
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		5,152,057	15	8,423,301
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		463,856,823	16	525,453,121
Liabilities	17	Accounts payable and accrued expenses		34,820,716	17	37,442,848
	18	Grants payable		0	18	0
	19	Deferred revenue		70,374	19	70,647
	20	Tax-exempt bond liabilities		48,500,000	20	48,005,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		124,310,215	25	118,535,620
	26	**Total liabilities.** Add lines 17 through 25		207,701,305	26	204,054,115
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		251,899,790	27	317,119,463
	28	Temporarily restricted net assets		4,186,537	28	4,208,740
	29	Permanently restricted net assets		69,191	29	70,803
		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		256,155,518	33	321,399,005
	34	Total liabilities and net assets/fund balances		463,856,823	34	525,453,121

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	292,267,024
2	Total expenses (must equal Part IX, column (A), line 25)	2	244,403,735
3	Revenue less expenses Subtract line 2 from line 1	3	47,863,289
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	256,155,518
5	Net unrealized gains (losses) on investments	5	18,314,250
6	Donated services and use of facilities	6	
7	Investment expenses	7	-1,064,006
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	129,954
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	321,399,005

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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 C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
ROBERT PACKER HOSPITAL	24-0795463

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		21,486
j	Total Add lines 1c through 1i			21,486
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
OTHER LOBBYING ACTIVITIES	MEMBERSHIPS IN AMERICAN HOSPITAL ASSOCIATION(AHA) AND THE HOSPITAL & HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA (HAP)

Part IV Supplemental Information *(continued)*

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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		877,575		877,575
b Buildings		139,250,432	90,320,999	48,929,433
c Leasehold improvements		4,338,719	2,452,972	1,885,747
d Equipment		104,771,607	74,467,518	30,304,089
e Other		22,632,347	2,768,692	19,863,655
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				101,860,499

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	0
ESTIMATED THIRD PARTY PAYABLE	6,219,709
RPH AUXILARY INVESTMENTS	63,833
ASSET RETIREMENT OBLIGATION	4,157,606
SWAP CONTRACT PAYABLE 2007	219,340
SWAP CONTRACT PAY FMV 2007	16,874,510
DUE TO AFFILIATES	0
LOAN PAY-GH TAX EXEMPT BONDS	90,922,277
CAPITAL LEASE	78,345
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	118,535,620

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
SCHEDULE D PART X LINE 2	THE CORPORATION HAS ANALYZED THE TAX POSITIONS TAKEN BY THE ORGANIZATION AND HAS CONCLUDED THAT AS OF JUNE 30, 2014, THERE ARE NO UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY (OR ASSET) OR DISCLOSURE IN THE FINANCIAL STATEMENTS

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 24-0795463
Name: ROBERT PACKER HOSPITAL

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

1 **(a)** Description of Liability	**(b)** Book Value
ESTIMATED THIRD PARTY PAYABLE	6,219,709
RPH AUXILARY INVESTMENTS	63,833
ASSET RETIREMENT OBLIGATION	4,157,606
SWAP CONTRACT PAYABLE 2007	219,340
SWAP CONTRACT PAY FMV 2007	16,874,510
DUE TO AFFILIATES	0
LOAN PAY-GH TAX EXEMPT BONDS	90,922,277
CAPITAL LEASE	78,345

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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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,395,546	337,850	1,057,696	0 430 %
b Medicaid (from Worksheet 3, column a)			29,918,438	20,126,408	9,792,030	4 010 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			31,313,984	20,464,258	10,849,726	4 440 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			291,544		291,544	0 120 %
f Health professions education (from Worksheet 5)			9,972,464	3,640,234	6,332,230	2 590 %
g Subsidized health services (from Worksheet 6)			7,580,161	5,835,064	1,745,097	0 710 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits			17,844,169	9,475,298	8,368,871	3 420 %
k **Total.** Add lines 7d and 7j			49,158,153	29,939,556	19,218,597	7 860 %

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						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 24,902,026			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME) 5 83,381,950			
6	Enter Medicare allowable costs of care relating to payments on line 5 6 84,457,864			
7	Subtract line 6 from line 5 This is the surplus (or shortfall) 7 -1,075,914			
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		No

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 ROBERT PACKER 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) _____

			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 GUTHRIE ORG			
b	☐ Other website (list url) _____			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $_____			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 % 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

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
SUPPLEMENTAL INFORMATION	

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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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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) Educational Aid - Undergraduate Students	50	16,250			

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

Return Reference	Explanation
SCHEDULE I, PART I, LINE 2	GRANTS TO INDIVIDUALS IN THE UNITED STATES Health Profession Scholarships - Seniors must plan to enter an accredited college, university, hospital based nursing, or allied health program with careers in health professions, including hospital administration or a planned career in medical research Guthrie Employee Scholarships - These scholarships are offered to children of full-time employees of Guthrie Seniors must plan to enter an accredited college or university Any career interest is allowed

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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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	GROSS-UP PAYMENTS ARE PERIODICALLY PROVIDED TO EMPLOYEES ALL PAYMENTS ARE MADE PURSUANT TO WRITTEN ORGANIZATION POLICIES
PART I, LINE 3	EXECUTIVE COMPENSATION IS GENERALLY ESTABLISHED WITHIN A WRITTEN EMPLOYMENT AGREEMENT COMPENSATION IS DETERMINED BASED ON MARKET STUDIES, PRESENTED TO THE GUTHRIE CLINIC COMPENSATION COMMITTEE, AND SUBSEQUENTLY APPROVED BY THE BOARD OF DIRECTORS

Additional Data

Software ID:
Software Version:
EIN: 24-0795463
Name: ROBERT PACKER 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				
MARIE DROEGE PRESIDENT & COO	(I) (II)	435,602 0	32,863 0	0 0	12,500 0	3,828 0	484,793 0	0 0
DANIEL J BROWN MD MEMBER BOD	(I) (II)	0 409,053	0 18,869	0 0	0 33,000	0 13,080	0 474,002	0 0
THOMAS VANDERMEER MD MEMBER BOD	(I) (II)	0 447,897	0 0	0 0	0 33,000	0 13,080	0 493,977	0 0
DANIEL SPORN MD MEMBER BOD	(I) (II)	0 562,003	0 6,496	0 0	0 33,000	0 13,080	0 614,579	0 0
MINH DANG CFO	(I) (II)	0 209,423	0 47,377	0 150	0 23,144	0 13,080	0 293,174	0 0
BONNIE ONOFRE CHIEF NURSING OFFICER	(I) (II)	182,102 0	15,658 0	8,542 0	9,249 0	8,496 0	224,047 0	0 0
GEORGE ELLIS MD EMERGENCY MEDICINE CHAIRMAN	(I) (II)	495,332 0	3,929 0	0 0	44,970 0	13,080 0	557,311 0	0 0
BARBARA PENNYPACKER VP SURGICAL SERVICES	(I) (II)	147,383 0	3,599 0	0 0	13,600 0	8,496 0	173,078 0	0 0
CHARLES MCGURK PHYSICIAN	(I) (II)	377,328 0	2,906 0	0 0	12,250 0	13,080 0	405,564 0	0 0
DANIEL TALENTI RADIATION PHYSICIST	(I) (II)	145,974 0	0 0	0 0	7,650 0	13,080 0	166,704 0	0 0
RUSSELL BURKETT PHYSICIAN	(I) (II)	285,112 0	0 0	0 0	12,500 0	13,080 0	310,692 0	0 0
MARC HARRIS PHYSICIAN	(I) (II)	315,486 0	7,200 0	0 0	12,500 0	3,828 0	339,014 0	0 0
JAMES RAFTIS PHYSICIAN	(I) (II)	303,449 0	3,000 0	0 0	12,500 0	13,080 0	332,029 0	0 0
DAVID CHANNIN MD CHAIR MEDICAL IMAGING	(I) (II)	0 430,539	0 40,500	0 0	0 33,000	0 13,080	0 517,119	0 0
JOSEPH SAWYER VP IMAGING & ANCILLARY TESTING	(I) (II)	160,459 0	2,383 0	1,177 0	8,311 0	13,080 0	185,410 0	0 0
JOSEPH A SCOPELLITI MD MEMBER BOD	(I) (II)	0 614,368	0 105,373	0 2,792	0 33,000	0 8,496	0 764,029	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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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	CENTRAL BRADFORD PROGRESS AUTHORITY	23-2735865	152691AA9	09-08-2011	50,000,000	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	50,043,372			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	3,565,941			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	804,312			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	10,804,996			
11	Other spent proceeds	20,175,557			
12	Other unspent proceeds	14,692,566			
13	Year of substantial completion				

		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							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?		X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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						
2	Are there any lease arrangements that may result in private business use of bond-financed property?	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							
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?		X						
c	Are there any research agreements that may result in private business use of bond-financed property?		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 ▶		0 020 %						
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5		0 020 %						
7	Does the bond issue meet the private security or payment test?		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						
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?		X						
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							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X							
b	Exception to rebate?		X						
c	No rebate due?		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						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
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						
b	Name of provider	0							
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						
7	Has the organization established written procedures to monitor the requirements of section 148?	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							

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

Return Reference	Explanation
PART I, ROW A, COLUMN(F)	CONSTRUCT FACILITY AND REFUND PRIOR ISSUE (2/14/2002)

Return Reference	Explanation
PART II, LINE 3, COLUMN (A)	THE TOTAL PROCEEDS EXCEED THE ISSUE PRICE DUE TO INVESTMENT EARNINGS

Return Reference	Explanation
PART II, LINE 11, COLUMN (A)	THE OTHER SPENT PROCEEDS ARE THE PROCEEDS USED TO CURRENTLY REFUND THE 2002 ISSUE

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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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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) SHARON SPORN	SPOUSE OF BOARD MEMEBER	31,781	EMPLOYMENT		No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art	X	1	553	COST
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (_____)				
26	Other ▶ (_____)				
27	Other ▶ (_____)				
28	Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		No
b	If "Yes," describe in Part II			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 SCHEDULE O DISCLOSURES	

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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
ROBERT PACKER HOSPITAL

Employer identification number
24-0795463

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

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

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) TWIN TIER MANAGEMENT CORP INC PO BOX 310 SAYRE, PA 18840 23-2209439	MANAGEMENT	PA	NA	C CORP				Yes	

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	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h	Yes	
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
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: 24-0795463
Name: ROBERT PACKER HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) GUTHRIE HEALTHCARE SYSTEM ONE GUTHRIE SQUARE SAYRE, PA 18840 23-2200910	SUPPORTING	PA	501(c)(3)	11C-III-FI	TGC		No
(1) SAYRE HOUSE OF HOPE ONE GUTHRIE SQUARE SAYRE, PA 18840 20-3979472	HEALTH CARE	PA	501(c)(3)	7	TGC	Yes	
(2) DONALD GUTHRIE FOUNDATION SOUTH WILBUR AVENUE SAYRE, PA 18840 24-6022957	MED RESEARCH	PA	501(c)(3)	4	TGC	Yes	
(3) ROBERT PACKER SCHOOL OF NURSING 200 SOUTH WILBUR AVENUE SAYRE, PA 18840 23-6408773	EDUCATION	PA	501(c)(3)	2	TGC	Yes	
(4) TROY COMMUNITY HOSPITAL INC 275 GUTHRIE DRIVE TROY, PA 16947 24-0800337	HEALTH CARE	PA	501(c)(3)	3	TGC	Yes	
(5) TIOGA HEALTHCARE FACILITY ONE GUTHRIE SQUARE SAYRE, PA 18840 15-0532257	HEALTH CARE	NY	501(c)(3)	3	TGC	Yes	
(6) SAYRE HOUSE INC ONE GUTHRIE SQUARE SAYRE, PA 18840 23-1643404	NURSING FAC	PA	501(c)(3)	9	TGC	Yes	
(7) GUTHRIE HOME CARE 421 Tomahawk Road TOWANDA, PA 18848 23-2394345	HOME HEALTH	PA	501(c)(3)	9	TGC	Yes	
(8) GUTHRIE SAME DAY SURGERY CENTER INC ONE GUTHRIE SQUARE SAYRE, PA 18840 02-0551081	AMBULATORY	NY	501(c)(3)	9	TGC	Yes	
(9) GUTHRIE RISK RETENTION GROUP 151 MEETING STREET CHARLESTON, SC 29401 20-1090801	SUPPORTING	SC	501(c)(3)	11A-I	TGC	Yes	
(10) TIOGA NURSING FACILITY ONE GUTHRIE SQUARE SAYRE, PA 18840 22-2979677	NURSING FAC	NY	501(c)(3)	3	TGC	Yes	
(11) GUTHRIE MEDICAL GROUP PC ONE GUTHRIE SQUARE SAYRE, PA 18840 25-0815795	HEALTH CARE	PA	501(c)(3)	3	TGC	Yes	
(12) DARWAY NURSING HOME INC ONE GUTHRIE SQUARE SAYRE, PA 18840 23-1733967	NURSING FAC	PA	501(c)(3)	9	TGC	Yes	
(13) CORNING HOSPITAL 1 GUTHRIE DRIVE CORNING, NY 14830 16-0393490	HEALTH CARE	NY	501(c)(3)	3	TGC	Yes	
(14) THE GUTHRIE CLINIC ONE GUTHRIE SQUARE SAYRE, PA 18840 23-3055017	SUPPORTING	PA	501(c)(3)	11C-III-FI	NA		No

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
GUTHRIE MEDICAL GROUP PC	A	874,599	CONTRACT AGREE
GUTHRIE MEDICAL GROUP PC	L	1,433,401	CONTRACT AGREE
GUTHRIE MEDICAL GROUP PC	K	713,195	CONTRACT AGREE
GUTHRIE MEDICAL GROUP PC	P	87,798	DIRECT COST EXP
GUTHRIE MEDICAL GROUP PC	Q	1,008,597	DIRECT COST EXP
GUTHIRE MEDICAL GROUP PC	M	19,484,462	CONTRACT AGREE
GUTHRIE MEDICAL GROUP PC	H	321,874	ASSET VALUE
CORNING HOSPITAL	L	1,426,625	CONTRACT AGREE
CORNING HOSPITAL	Q	64,718	DIRECT COST EXP
TROY COMMUNITY HOSPITAL	L	826,596	CONTRACT AGREE
TROY COMMUNITY HOSPITAL	Q	353,540	DIRECT COST EXP
ROBERT PACKER SCHOOL OF NURSING	A	324	CONTRACT AGREE
ROBERT PACKER SCHOOL OF NURSING	Q	127,743	DIRECT COST EXP
ROBERT PACKER SCHOOL OF NURSING	K	194,054	CONTRACT AGREE
DONALD GUTHRIE FOUNDATION	Q	166,384	DIRECT COST EXP
DONALD GUTHRIE FOUNDATION	B	56,602	DIRECT COST EXP
DONALD GUTHRIE FOUNDATION	A	808	CONTRACT AGREE
GUTHRIE HOME CARE	L	130,258	CONTRACT AGREE
TWIN TIER MANAGEMENT CORP INC	K	55,587	CONTRACT AGREE
TWIN TIER MANAGEMENT CORP INC	A	81	CONTRACT AGREE

The Guthrie Clinic and Affiliates

Consolidated Financial Statements
June 30, 2014 and 2013

The Guthrie Clinic and Affiliates
Index
June 30, 2014 and 2013

pwc

Report of Independent Auditors

To the Board of Directors of
The Guthrie Clinic and Affiliates

We have audited the accompanying consolidated financial statements of The Guthrie Clinic and Affiliates (the "Corporation"), which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and of cash flows for the years then ended

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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

Auditor's Responsibility

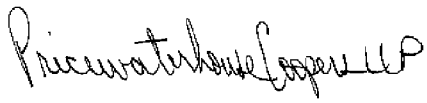
Our responsibility is to express an opinion on the consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance 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 our 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, we consider internal control relevant to the Corporation'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 Corporation'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

pwc

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation at June 30, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America



New York, New York
September 17, 2014

The Guthrie Clinic and Affiliates
Consolidated Balance Sheets
June 30, 2014 and 2013

(in thousands of dollars)	2014	2013
Assets		
Current assets		
Cash and cash equivalents	$ 20,239	$ 17,334
Patient accounts receivable, net of estimated uncollectibles of $78,859 and $74,249	65,156	65,367
Inventories	10,131	10,335
Prepaid expenses and other assets	14,355	13,800
Total current assets	109,881	106,836
Assets limited as to use		
Trustee held funds under indenture agreement	15,999	33,677
Board-designated funds	135,543	119,110
Other	144,729	132,606
	296,271	285,393
Investments	459,555	462,243
Property and equipment, net	335,377	254,127
Other assets, net	12,770	16,175
Total assets	$ 1,213,854	$ 1,124,774
Liabilities and Net Assets		
Current liabilities		
Current maturities of long-term obligations	$ 7,055	$ 6,780
Accounts payable and accrued expenses	50,424	52,972
Accrued payroll, taxes, and vacation	35,176	35,775
Estimated third-party payable, net	18,574	19,473
Other	1,098	1,270
Total current liabilities	112,327	116,270
Long-term obligations, net of current maturities, bond discount and bond premium	272,089	249,460
Accrued pension cost	3,776	9,328
Asset retirement obligation	16,206	15,584
Insurance liabilities, net of current portion	83,520	85,255
Other	24,694	25,032
Total liabilities	512,612	500,929
Net assets		
Unrestricted	640,419	567,108
Temporarily restricted	57,168	53,109
Permanently restricted	3,655	3,628
Total net assets	701,242	623,845
Total liabilities and net assets	$ 1,213,854	$ 1,124,774

The accompanying notes are an integral part of these consolidated financial statements

The Guthrie Clinic and Affiliates
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2014 and 2013

(in thousands of dollars)	2014	2013
Unrestricted revenues		
Patient service revenue, net of contractual and other allowances	$ 613,166	$ 596,549
Provision for bad debt	40,815	39,443
Net patient service revenue	572,351	557,106
Other operating revenue	17,908	18,544
Total revenues	590,259	575,650
Expenses		
Salaries and wages	278,504	270,218
Employee benefits	57,234	59,857
Purchased services	28,687	29,606
Supplies and drugs	112,079	108,145
Other expenses	56,454	55,913
Depreciation and amortization	31,689	33,369
Interest	7,485	6,612
Total expenses	572,132	563,720
Income from operations	18,127	11,930
Other income, net (Note 9)	59,661	49,349
Excess of revenues over expenses	$ 77,788	$ 61,279

The accompanying notes are an integral part of these consolidated financial statements

The Guthrie Clinic and Affiliates
Consolidated Statements of Operations and Changes in Net Assets, Continued
Years Ended June 30, 2014 and 2013

(in thousands of dollars)	2014	2013
Unrestricted net assets		
Excess of revenues over expenses	$ 77,788	$ 61,279
(Decrease) increase in pension obligation	(6,726)	23,538
Net assets released from restrictions used for purchase of property and equipment	2,249	1,688
Increase in unrestricted net assets	73,311	86,505
Temporarily restricted net assets		
Contributions and grant income	26	3,565
Reclassification from permanently restricted net assets	-	162
Interest and dividends, net of investment fees	41	(184)
Net realized and unrealized gains on investments	7,085	3,826
Net assets released from restrictions	(3,093)	(2,314)
Increase in temporarily restricted net assets	4,059	5,055
Permanently restricted net assets		
Contributions	35	983
Reclassification to temporarily restricted net assets	-	(162)
Net assets released from restrictions	(8)	(1)
Increase in permanently restricted net assets	27	820
Increase in net assets	77,397	92,380
Net assets		
Beginning of year	623,845	531,465
End of year	$ 701,242	$ 623,845

The accompanying notes are an integral part of these consolidated financial statements

The Guthrie Clinic and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2014 and 2013

(in thousands of dollars)	2014	2013
Cash flows from operating activities		
Change in net assets	$ 77,397	$ 92,380
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	31,689	33,369
Net realized and unrealized gains on investments	(53,294)	(28,321)
Loss on sale of property and equipment	181	284
Accretion expense	780	738
Provision for bad debts	40,815	39,443
Pension obligation adjustment	6,726	(23,538)
Restricted contributions received	(421)	(1,769)
Change in fair value of derivative instrument	(1,014)	(9,989)
Changes in operating assets and liabilities		
Patient accounts receivable	(40,604)	(44,890)
Inventories	204	264
Prepaid expenses and other assets	(555)	(2,007)
Accounts payable and accrued expenses	(9,029)	(8,972)
Estimated third-party payables, net	(899)	716
Other	1,721	(2,633)
Net cash provided by operating activities	53,697	45,075
Cash flows from investing activities		
Cash received from sale of investments	1,078,579	953,375
Purchase of investments	(1,033,474)	(930,621)
Purchases of property and equipment	(119,650)	(85,630)
Proceeds from the sale of property and equipment	383	61
Net cash used in investing activities	(74,162)	(62,815)
Cash flows from financing activities		
Proceeds from long-term obligations	29,729	20,270
Payments of long-term obligations	(6,780)	(7,530)
Restricted contributions received	421	1,769
Net cash provided by financing activities	23,370	14,509
Net increase (decrease) cash and cash equivalents	2,905	(3,231)
Cash and cash equivalents		
Beginning of year	17,334	20,565
End of year	$ 20,239	$ 17,334
Supplemental information of noncash transactions		
Purchase of property and equipment in accounts payable and accrued expenses	$ 17,436	$ 23,832

The accompanying notes are an integral part of these consolidated financial statements

(in thousands of dollars)

1. Significant Accounting Policies

Organization and Principles of Consolidation

In 2001, Guthrie Clinic Ltd (the "Clinic") and Guthrie Healthcare System ("GHS") entered into an alignment agreement that brought the two health care institutions together as sole members of a nonprofit organization called Guthrie Health Guthrie Health ("GH") had direct oversight of both the Clinic and GHS and was responsible for the overall strategic, financial and operational direction of the organization In November 2013, the Boards approved a restructure plan to merge GHS into GH, with GH, renamed The Guthrie Clinic ("TGC"), the survivor The Clinic was renamed Guthrie Medical Group, P C ("GMG") and recapitalized with a single shareholder physician nominally holding all shares, and all structural and financial control of GMG transferred to TGC The restructure plan was effective February 1, 2014 and the alignment agreement was terminated

TGC and it's Affiliates principally serves residents in Northern Central Pennsylvania and Southern Central New York and provides a broad range of the following health care services inpatient, outpatient, emergency care, home care services, primary care services and specialty care services

TGC is the sole corporate member of Donald Guthrie Foundation (GF), Robert Packer School of Nursing, Robert Packer Hospital (RPH), Troy Community Hospital, Inc (TCH), Corning Hospital (CH), Guthrie Home Care, Sayre House of Hope, and Twin Tier Management Corporation, Inc and holds structural and financial control of GMG as parent of the integrated system

Guthrie Risk Retention Group (GRRG), was formed in 2004 as a wholly owned subsidiary, to provide primary professional and general liability insurance coverage for certain affiliates of TGC

The accompanying financial statements include the accounts of the above entities (collectively, the "Corporation") All significant intercompany transactions and balances within the Corporation have been eliminated

The Corporation has performed an evaluation of subsequent events through September 17, 2014 which is the date the consolidated financial statements were issued

Use of Estimates

The preparation of consolidated 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 Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates Significant estimates made by the Corporation include, but are not limited to, accruals, estimated fair value of investment securities and swap agreements, allowance for uncollectible accounts and third-party payor contractual adjustments, estimated third-party settlements, insurance reserves for employee health insurance, workers' compensation and professional and general liability and assumptions used in determining pension liabilities and asset retirement obligations

(in thousands of dollars)

Cash and Cash Equivalents
The Corporation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents, excluding amounts held as assets limited as to use and investments The Corporation maintains funds on deposit in excess of amounts insured by the Federal Depository Insurance Corporation Limits

Patient Accounts Receivable
The Corporation grants credit without collateral to its patients, health maintenance organizations, commercial payors, and government programs The mix of receivables, before allowances for doubtful accounts, at June 30 is as follows

	2014	2013
Medicare	31 %	28 %
Pennsylvania Medicaid/New York Medicaid	11 %	9 %
Other third-party payors	25 %	30 %
Self-pay	33 %	33 %
	100 %	100 %

Inventory Valuation
Inventories are stated at the lower of cost (first-in, first-out) or market

Assets Limited as to Use
Assets limited as to use primarily include funds held in trust by others, assets held by trustees under indenture agreements, self-insured trust funds for insurance, and designated 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

Investments and Investment Income
Investment securities (debt and equity) are recorded at fair value based on quoted market prices If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments

Investments in pooled funds are valued based on valuations provided by the investment managers of the underlying funds As a general rule, investment managers of funds value investments based upon the best information available for given circumstances and may incorporate assumptions that are the investment manager's best estimates after considerations of a variety of internal and external factors The funds may make investments in securities that are publicly traded, which are generally valued based on observable market prices, unless a restriction exists Investments for which observable market prices do not exist are reported at fair value as determined by the fund's investment manager The fair value of the funds represents the amount the Corporation expects to receive at June 30, 2014, if it had liquidated its investments in the funds on these dates Because pooled funds may not be readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed

(in thousands of dollars)

The cost of sold investments is based upon the specific identification method Realized and unrealized gains and losses, interest income, and dividends from unrestricted investments are recorded as other income in the consolidated statements of operations and changes in net assets The Corporation records investment returns in accordance with accounting guidance related to the fair value option and has appropriately included all investment returns in excess of revenues over expenses Unrealized and realized gains and losses, interest income and dividends on investments from restricted assets are included as additions to either unrestricted or restricted net assets in accordance with donor intent

The Corporation has investments in U S and international government and agency obligations, corporate obligations, commercial paper, mutual funds, equity securities, pooled funds and real assets Investment securities are exposed to various risks, such as interest rate, market and credit 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 at least possible that changes in risks in the near term would materially affect the net assets of the Corporation

Property and Equipment
Property and equipment are recorded at cost less the amount for accumulated depreciation Expenditures for maintenance, repairs and renewals of minor items are charged to operations as incurred Major renewals and improvements are capitalized Depreciation is provided on the straight-line method over the estimated useful lives of the related assets, which ranges from three to forty years Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation and amortization in the consolidated financial statements Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets

Gifts of land, buildings, or equipment are reported as unrestricted net assets, and are excluded from the excess of revenues over expenses 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 net assets

In accordance with authoritative guidance, the Corporation assesses its assets for impairment whenever events or changes in circumstances indicate the carrying amount of a respective asset may exceed their fair value There were no impairment losses during the years ended June 30, 2014 and 2013

Deferred Financing Costs and Bond Discount/Premium Amortization
Deferred financing costs (included in other assets) and bond discount/premium relate to costs incurred in connection with obtaining long-term obligations, which are being amortized over the term of the related obligations, using the straight-line method, which approximates the effective interest method Amortization expense related to deferred financing costs was $153 and $150 for the years ended June 30, 2014 and 2013, respectively Premium amortization was $45 and $45 for the years ended June 30, 2014 and 2013

(in thousands of dollars)

Insurance Liabilities
The Corporation, under certain insurance programs, maintains reserves for expected losses primarily relating to professional and general liability, workers' compensation and employees' medical insurance A provision for claims under self-insured programs is recorded based upon the Corporation's estimate, after consultation with actuaries, of the aggregate liability for claims incurred

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

Temporarily and permanently restricted net assets are comprised primarily of trust and endowment funds, and the related net realized and unrealized gains and losses on those funds as established by donor restricted gifts

Most of the trust assets are with one trustee The principal of the trusts is primarily restricted to capital expenditures Expenditures must be approved by the trustee and cannot exceed one-tenth of the original principal balance in any one year Effective February 1, 2014, based on a change in the decree, the income (interest and dividends) from these trusts is restricted for the exclusive benefit of the hospitals of the Corporation and to GF for purposes that are consistent with the research and scientific developments in all fields of medicine, surgery and medical arts and sciences

Donor-Restricted Gifts
Unconditional promises to give cash and other assets to the Corporation 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 statements of operations and changes in net assets or as released for the purchase of property and equipment based upon the donor restriction Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted net assets in the accompanying consolidated financial statements

Excess of Revenues Over Expenses
The consolidated statements of operations and changes in net assets include excess of revenues over expenses Changes in unrestricted net assets which are excluded from excess of revenues over expenses include adjustments to pension obligations and 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)

(in thousands of dollars)

Net Patient Service Revenue
Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Third-party payors retain the right to review and propose adjustments to amounts paid to the Corporation Such adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

The Corporation has agreements with third-party payors that provide for payments at amounts different from its established rates A summary of the payment arrangements with major third-party payors is provided below

Medicare and Medicaid
Revenue from Medicare and Medicaid accounted for approximately 38% and 9%, respectively, for year ended June 30, 2014, and 38% and 7%, respectively, for year ended June 30, 2013 of the Corporation's net patient service revenue Inpatient acute care, professional and outpatient ancillary services rendered by Clinic, RPH and CH to Medicare and Medicaid program beneficiaries, and TCH services rendered to Medicaid beneficiaries, are paid at prospectively determined rates These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors

TCH is a critical access hospital and is reimbursed at cost plus 1% for all services rendered to Medicare beneficiaries

RPH, TCH and CH's Medicare cost reports have been audited and finalized by the Medicare fiscal intermediary through June 30, 2009, June 30, 2009 and December 31, 2011, respectively

Other Payors
The basis for payment by commercial insurance carriers and health maintenance organizations for inpatient, outpatient, and professional services include per diem rates, cost reimbursement, prospectively determined rates, fee schedules, and discounts from established charges

Charity Care and Community Service
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 Because the Corporation does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue Cost for services and supplies furnished under the Corporation's charity care policy amounted to approximately $2,600 and $3,200 in 2014 and 2013, respectively, when measured at the Corporation's estimated cost The Corporation estimates the cost of charity care based on the ratio of cost to charge method and estimated actual costs

As part of its charitable mission, the Corporation provides care through its emergency departments It ensures that an emergency admission or treatment is not delayed or denied pending determination of coverage or a requirement for prepayment or deposit As a result of this policy, the Corporation had approximately $3,740 and $3,710 in bad debts in 2014 and 2013, respectively

(in thousands of dollars)

In addition to the charity care program and the emergency department bad debts discussed above, the Corporation supports numerous other charitable and community activities Examples of these activities include medical education for physicians and nurses, the trauma program, and medical research The estimated cost, net of reimbursement, for these programs was $16,100 and $16,400 in 2014 and 2013, respectively

Revenues generated from patients who participate in the Medicaid program are subject to substantial discounts that result in reimbursement for services rendered below the cost of providing such services In order for patients to meet the guidelines for the Medicaid program, various income-based criteria must be met that validate the patient's inability to pay for services and ineligibility under other programs The estimated loss incurred from providing services to Medicaid patients amounted to $22,000 and $19,900 in 2014 and 2013, respectively

The total cost in supporting these charitable mission programs was approximately $44,000 and $42,900 in 2014 and 2013, respectively

Income Taxes
The consolidated financial statements do not give consideration to income taxes, as each of the entities are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code, except for Twin Tier Management Corporation, Inc , an affiliate, which is a taxable entity Income taxes paid in the years ended June 30, 2014 and 2013 were $0 In 2014 and 2013, other operating expense included income tax expense and income tax credit of $196 and $40, respectively The Corporation is subject to federal taxes on unrelated business income under Section 511 of the Internal Revenue Code Unrelated business income tax totaled a net refund of $15 and $17 for the years ending June 30, 2014 and 2013, respectively

Accounting principles generally accepted in the United States of America require the Corporation to evaluate tax positions taken by the Corporation and recognize a tax liability (or asset) if the Corporation has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service The Corporation has concluded that as of June 30, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements

Asset Retirement Obligations
The Corporation accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation Over time, the liability is accreted to its estimated settlement value Upon settlement of the liability, the Corporation will recognize a gain or loss for any difference between the settlement amount and liability recorded Accretion expense for the years ended June 30, 2014 and 2013 is $780 and $738, respectively, and disposals totaled $173 and $119, respectively

(in thousands of dollars)

2. Assets Limited as to Use and Investments

The composition of assets limited as to use and investments, at fair value, are as follows at June 30

	2014	2013
Held by trustee under indenture agreement		
Cash and cash equivalents	$ 15,999	$ 33,677
Funds held in trust by others	48,707	43,631
Pooled and other investments		
Cash and cash equivalents	29,383	30,658
Marketable equity securities	89,332	79,172
Real asset mutual funds	32,881	33,483
Pooled funds	47,014	30,368
Corporate obligations	71,307	86,386
U S government and agency obligations	145,638	164,445
International government and agency obligations	11,320	37,673
Equity mutual funds	129,756	123,359
Fixed Income mutual funds	133,826	84,153
Other	663	631
	691,120	670,328
	$ 755,826	$ 747,636

The Corporation's return on investments for the years ended June 30 is as follows

	2014	2013
Interest and dividends, net of investment fees	$ 13,424	$ 15,634
Realized gains on investments, net	12,603	25,075
Change in net unrealized gains on investments	40,691	3,246
Total investment gain	$ 66,718	$ 43,955

3. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30

	2014	2013
Purchase of property and equipment	$ 48,435	$ 44,822
Healthcare services	3,312	3,273
Education and research	5,421	5,014
	$ 57,168	$ 53,109

(in thousands of dollars)

Permanently restricted net assets are restricted as follows at June 30

	2014	2013
Investments to be held in perpetuity, the income from which is expendable to purchase capital equipment and support education and research	$ 3,655	$ 3,628

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors is as follows for the years ended June 30

	2014	2013
Purchase of property and equipment	$ 2,249	$ 1,688
Health care services	499	398
Education and research	353	229
	$ 3,101	$ 2,315

4. Property and Equipment

Property and equipment, recorded at cost, consists of the following at June 30

	2014	2013
Land and land improvements	$ 21,582	$ 16,755
Buildings and building improvements	298,916	270,191
Permanent fixtures and equipment	250,043	238,205
	570,541	525,151
Less Accumulated depreciation	(374,123)	(348,685)
	196,418	176,466
Construction in progress	138,959	77,661
	$ 335,377	$ 254,127

Depreciation expense in 2014 and 2013 amounted to $31,440 and $33,123, respectively In January 2012, the Corporation approved the construction of new replacement hospitals for CH in Corning, NY and for TCH in Troy, PA TCH opened and the assets were placed into service in October 2013 CH construction was ongoing at June 30, 2014 and opened in July 2014 at which time it was placed into service

The estimated cost to complete construction in progress projects at June 30, 2014 approximated $36,148

(in thousands of dollars)

5. Long-Term Obligations

Long-term obligations consist of the following at June 30

Bonds Payable	2014	2013
The Guthrie Clinic		
Health Care Facilities Authority of Sayre, Health Care Revenue Bonds, Series 2007, due in varying annual principal installments through 2031, with interest payable quarterly at variable rates (ranging from 0 80% to 1 01%) Collateralized by buildings, equipment and accounts receivable (a) (b) (d) (g) (i)	$ 78,015	$ 84,060
Central Bradford Progress Authority, Health Care Revenue Bonds, Series 2011, due in varying annual principal installments through 2041, with interest payable semi-annually at various rates (ranging from 3 0% to 5 50%) Collateralized by buildings, equipment and accounts receivable (c) (d) (g) (i)	101,900	102,140
Unamortized bond premium, net	1,224	1,270
	103,124	103,410
Central Bradford Progress Authority, Health Care Revenue Bonds, Series 2012, due in varying annual principal installments through 2042, with interest payable monthly at various rates (ranging from 0 93% to 0 96%) Collateralized by buildings, equipment and accounts receivable (g) (h) (i)	50,000	20,270
RPH		
Central Bradford Progress Authority, Health Care Revenue Bonds, Series 2011, due in varying annual principal installments through 2041, with interest payable semi-annually at a fixed rate of 7% Bonds are an unsecured general obligation of RPH (e) (f) (i)	48,005	48,500
	279,144	256,240
Less Current portion of long-term obligations	(7,055)	(6,780)
	$ 272,089	$ 249,460

a TGC previously borrowed $240,000 under a Loan Agreement from the sale of tax exempt Revenue Bonds (Guthrie Health Issue), Series A and B of 2002 (the "2002 Bonds") issued by Healthcare Facilities Authority of Sayre (the "Authority") pursuant to a Master Trust Indenture

In April 2007, the Authority issued $187,455 of tax-exempt Revenue Bonds (Guthrie Health Issue) Series 2007 (the "2007 Bonds") for the purpose of advance refunding a portion of the 2002A Series Bonds and all of the Series 2002B Bonds and to pay the costs of issuing the 2007 Bonds Interest on the 2007 Bonds is adjusted quarterly equal to 67% of the three-month LIBOR rate for such period, plus a per annum spread with a maximum rate of 15% per annum The spread is between 65 and 83 basis points dependent upon the term of the bonds

(in thousands of dollars)

In February 2009, the Board authorized the Corporation to repurchase a portion of the Bonds of the outstanding Health Care Facilities Authority of Sayre Revenue Bonds Series 2007 The bond repurchases occurred in April 2009 in three separate transactions totaling $69,105 in repurchased bonds The Guthrie Clinic has been released from obligation for the portion of the Series 2007 repurchased debt and the debt has been appropriately extinguished

In December 2010, the Board authorized the Corporation to repurchase an additional portion of the 2007 Bonds The Corporation purchased $12,000 of the outstanding bonds at prices below par

b TGC entered into an interest rate swap agreement for the purpose of managing its interest rate risk associated with the 2007 Bonds Under the interest rate swap agreement, the amount exchanged is based on an amortizing notional amount whereby TGC pays the counterparty interest at a fixed rate of 4 282% and the counterparty pays TGC at a variable rate equal to the rate of interest on the 2007 Bonds The swap contract was not amended as a result of the retirement of a portion of the 2007 bonds The impact of the swap contract is recorded in other income, net, in the consolidated statement of operations and changes in net assets, which was unfavorably impacted by $4,543 and favorably impacted by $5,021 for the years ended June 30, 2014 and 2013, respectively

c In September, 2011, the Central Bradford Progress Authority (the "Bradford Authority") issued $102,370 of tax-exempt Revenue Bonds (Guthrie Health Issue), Series 2011 (the "2011 Bonds") The proceeds of the 2011 Bonds, together with other trustee-held funds, refunded the remaining Series 2002A Bonds, refinanced the 2007 Bonds that were repurchased in December 2010, provided financing for various equipment and facility projects including interest during construction, and funded the costs of issuing the bonds The 2007 Bonds repurchased in December 2010 were extinguished effective with this refinancing

d The proceeds of the 2007 Bonds and the 2011 Bonds are loaned by TGC under loan agreements TGC has loaned such bond proceeds to GMG, RPH, TCH, and CH to finance, reimburse, refinance or refund costs of capital projects of such affiliates These loan agreements require the affiliates to make principal and interest payments to TGC Affiliate loan documents, relating to the 2007 and 2011 Bonds, entered into by RPH are collateralized by Mortgages on the Sayre, Pennsylvania campus In addition, the Affiliate loan documents entered into by RPH and GMG are collateralized by a security interest in their respective Sayre, Pennsylvania campus accounts receivable

e In September, 2011, the Bradford Authority issued $50,000 of tax-exempt Revenue Bonds (Robert Packer Hospital Issue), Series 2011 (the "RPH Bonds") The proceeds of the RPH Bonds, together with other trustee-held funds, refunded the remaining Series 2002A Bonds, provided financing for various equipment and facility projects including interest during construction, and funded the costs of issuing the bonds The RPH Bonds were sold privately to Royal Bank of Canada Capital Market, LLC (RBC)

f TGC entered into a Total Return Swap (TRS) agreement for the purpose of reducing the overall cost of capital Under the TRS agreement, the amount exchanged is based on an amortizing notional amount whereby the counterparty pays TGC interest at a fixed rate of 7% and TGC pays the counterparty a variable rate equal to the effective rate of SIFMA index plus 85 basis points on an amount equal to the principal amount of the RPH Bonds outstanding

(in thousands of dollars)

Other income, net in the consolidated statements of operations and changes in net assets includes a favorable impact of $3,120 and $2,427 for the years ended June 30, 2014 and 2013, respectively, related to the swap agreement

TGC entered into an Interest Cap agreement (CAP) for the purpose of managing the TRS variable rate Under the terms of the agreement, the floating rate under the TRS has a CAP rate of 5% The floating rate option of USD-SIMFA Municipal Swap Index will be used to determine the floating amount The interest Cap agreement terminates on September 8, 2014 Other income, net in the consolidated statements of operations and changes in net assets includes favorable impact of $1 for the year ended June 30, 2013, related to this agreement

g The 2007, 2011 and 2012 Bonds and TRS are collateralized by a pledge of the Gross Revenues of TGC "Gross Revenues" include amounts payable by the Affiliates under the Affiliate loan documents, amounts received from the Affiliates by TGC as a result of the exercise of its reserved powers, any future unrestricted endowment of TGC and the unrestricted proceeds of any fund raising by TGC As a result of the Restructuring, TGC now directly holds the assets of GHS including it's real property and investments Under the Affiliate loan documents, TGC may foreclose following certain defaults Additionally, TGC has the power to cause Affiliates to transfer funds annually for various purposes, including the payment of debt service

h In October, 2012, the Bradford Authority issued $50,000 of tax exempt Revenue Bonds (Guthrie Health Issue) Series 2012 (the "2012 Bonds") The proceeds of the 2012 Bonds were loaned to RPH and CH to provide financing for the construction of a new hospital, other facility projects, and funded the costs of issuing the bonds The 2012 Bonds were sold privately to PNC Bank

i The most restrictive covenants relate to the maintenance of certain financial ratios and disposition of real property TGC was in compliance with these debt covenants at June 30, 2014 and 2013

A summary of the aggregate principal requirements on these long-term obligations as of June 30, 2014 are as follows

2015	$ 7,055
2016	7,315
2017	7,620
2018	7,940
2019	8,150
Thereafter	239,840
	277,920
Bond premium, net of accumulated amortization	1,224
	$ 279,144

Cash paid for interest was $9,725 and $9,697 in 2014 and 2013, respectively

(in thousands of dollars)

6. Line of Credit

TGC has an available revolving line of credit which totals $8,500 bearing interest at LIBOR plus 250 basis points There was no outstanding balance as of June 30, 2014 or 2013

7. Functional Expenses

The Corporation provides health care services, medical research and educational programs Expenses related to providing these services are as follows for the years ended June 30

	2014	2013
Health care services	$ 392,934	$ 388,148
General and administrative	165,317	161,544
Education	12,391	12,545
Research	1,490	1,483
	$ 572,132	$ 563,720

8. Pension Plans

The Corporation provides various retirement plans GMG provides a defined contribution plan CH provides a defined benefit plan for bargaining unit members The remainder of the Corporation's employees are offered a defined benefit plan or defined contribution plan depending on their date of hire In addition, certain TGC employees are eligible to contribute to a TGC tax sheltered annuity plan

Defined Benefit Plans
The Corporation has two defined benefit plans The CH Plan covers all eligible employees of their facility Other TGC entities provide a plan for those employees hired prior to July 1, 1997 ("TGC Plan") The benefits for both plans are generally based on years of service and the employees' compensation

The following tables set forth the changes in the Plans' combined benefit obligation, fair value of plan assets and accrued benefit cost at June 30

	2014	2013
Change in benefit obligation		
Benefit obligation at beginning of year	$ 141,967	$ 152,041
Service cost	2,458	2,862
Interest cost	6,648	6,241
Employee contribution	111	107
Actuarial loss (gain)	17,794	(13,023)
Expenses paid	(580)	(604)
Plan amendments	-	144
Benefits paid	(7,015)	(5,801)
Benefit obligation at end of year	$ 161,383	$ 141,967

(in thousands of dollars)

Accumulated benefit obligation, end of year	$ 152,358	$ 128,780
Change in plan assets		
Fair value of plan assets at beginning of year	$ 132,638	$ 108,977
Actual return on plan assets, net of expenses	16,952	11,959
Employer contribution	15,500	18,000
Employee contribution	111	107
Expenses paid	(580)	(604)
Benefits paid	(7,015)	(5,801)
Fair value of plan assets at end of year	$ 157,606	$ 132,638
Amounts recognized on the consolidated balance sheet position consist of:		
Noncurrent liabilities	$ (3,776)	$ (9,328)
Net amount recognized in consolidated balance sheet	$ (3,776)	$ (9,328)
Funded status		
CH accrued pension cost	$ (3,265)	$ (2,532)
TGC accrued pension cost	(511)	(6,796)
Accrued pension cost	$ (3,776)	$ (9,328)
Other changes in plan assets and benefit obligation recognized in unrestricted net assets		
Net (gain) loss	$ 10,904	$ (16,871)
Recognized gain (loss)	(4,624)	(7,282)
Prior service cost (credit)	-	144
Recognized prior service (cost) credit	446	471
Total recognized in unrestricted net assets	$ 6,726	$ (23,538)

Amounts recognized in unrestricted net assets consist of an actuarial loss of $54,744 and $48,464 in 2014 and 2013, respectively, and a prior service credit of $849 and $1,295 in 2014 and 2013, respectively

The compositions of net periodic pension cost for the years ended June 30 are as follows

	2014	2013
Service cost	$ 2,458	$ 2,862
Interest cost	6,648	6,241
Expected return on plan assets	(10,062)	(8,110)
Net amortization	4,178	6,811
Total pension cost	$ 3,222	$ 7,804

(in thousands of dollars)

Assumptions
The significant assumptions used to determine the benefit obligations as of June 30 are as follows

	2014	2013
Weighted average discount rate - other TGC entities	4 20 %	4 70 %
Weighted average discount rate - CH Plan	4 20 %	4 80 %
Rate of increase in future compensation levels	3 42 %	3 39 %
Measurement date	June 30	June 30

The significant assumptions used to determine net periodic pension cost for the years ended June 30 are as follows

	2014	2013
Weighted average discount rate	4 75 %	4 13 %
Expected long-term rate of return on assets	7 50 %	7 50 %
Rate of increase in future compensation levels	3 42 %	3 39 %

The expected long-term rate of return on plan assets is determined considering the investment policy, asset allocation, and expected future returns Historical returns and future economic forecasts are also reviewed to assess the reasonableness of the assumptions

Investment Policy
The Guthrie Clinic Investment Committee is responsible for establishing investment objectives, guidelines, and target allocations of plan assets The committee utilizes investment consultants to analyze returns compared to benchmarks, and to ensure compliance with all objectives, guidelines, and targets Investment managers are utilized based on the asset allocation strategy Performance is monitored by the committee on a quarterly basis

Plan Assets
The weighted average asset allocations of the plans by asset category are as follows at the plan measurement dates

	Target	2014	2013
Cash and cash equivalents	0% - 5%	17 %	14 %
Equities	46% - 76%	54 %	52 %
Fixed income securities	29% - 49%	29 %	34 %
		100 %	100 %

(in thousands of dollars)

The following table represents the Plan's financial instruments as of June 30, 2014 and 2013, measured at fair market value on a recurring basis using the fair value hierarchy as defined by the authoritative guidance

	2014			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Cash and cash equivalents	$ 26,364	$ -	$ -	$ 26,364
Fixed income securities	-	7,534	-	7,534
Fixed income mutual funds	-	28,141	-	28,141
Government securities	10,393	518	-	10,911
Equity securities	25,897	-	-	25,897
Equity mutual funds	58,759	-	-	58,759
	$ 121,413	$ 36,193	$ -	$ 157,606

	2013			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Cash and cash equivalents	$ 18,339	$ -	$ -	$ 18,339
Fixed income securities	-	8,140	-	8,140
Fixed income mutual funds	-	27,131	-	27,131
Government securities	9,017	531	-	9,548
Equity securities	40,040	-	-	40,040
Equity mutual funds	29,440	-	-	29,440
	$ 96,836	$ 35,802	$ -	$ 132,638

Cash Flows
The Corporation expects to contribute approximately $5,600 to its pension plans in fiscal 2015

Benefit Payments
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

	$ 6,976
2016	6,925
2017	7,504
2018	7,950
2019	8,206
2020 to 2024	45,421

In 2015, the actuarial net loss and prior service costs for the pension plans will be $4,858 and $446, respectively

(in thousands of dollars)

On July 30, 2014, TGC announced the planned freeze of the TGC Plan as of December 31, 2014 The curtailment impact of the freeze will be recognized in the July 2014 financial statements of the Corporation and will include the accelerated recognition of the prior service credit of $885 and the reduction of the unamortized losses in the cumulative change in unrestricted net assets of $8,240 due to the elimination of future salary increases

Defined Contribution Plans
Employees of TGC hired on or after July 1, 1997 who have attained the age of twenty-one and have completed one year of credited service, are eligible to participate in TGC Retirement Savings Plan, a defined contribution plan The plan is funded by TGC at a matching formula with a base contribution For employer contributions, participants are 50% vested after two years, 75% vested after three years and 100% vested after four years of credited service

Employees of TGC who opted to terminate their plan benefit under the TGC defined benefit plan effective January 1, 2005, began participation in a new defined contribution plan This plan provides an employer contribution of 5% of eligible compensation to age 45, and 6% of eligible compensation thereafter

Pension expense under TGC defined contribution plans for the years ended June 30, 2014 and 2013 was approximately $2,382 and $2,115, respectively

GMG has a defined contribution retirement plan which covers substantially all full-time employees The Plan contributions are determined at the discretion of the Board of Directors, with the limitation that the contributions may not exceed the maximum amount allowed under the Internal Revenue Code The Plan includes a 401(k) elective deferral feature GMG made contributions to participant accounts equal to 5% of monthly gross pay, up to a maximum annual salary of $255 Employer plan contributions are immediately vested Expense relating to this plan amounted to approximately $5,877 and $5,771 in 2014 and 2013, respectively

9. Other Income, Net

Other income, net for the years ended June 30 is as follows

	2014	2013
Interest and dividends, net of investment fees	$ 13,383	$ 15,818
Gain on sale of investments, net	9,833	20,606
Unrealized gain on investments, net	36,376	3,889
Change in fair value of derivative instruments	1,014	9,989
Loss on derivative instruments	(2,437)	(2,542)
Other	1,492	1,589
	$ 59,661	$ 49,349

(in thousands of dollars)

10. Insurance Coverage

Professional and General Liability Insurance
GRRG provides primary medical malpractice and general liability coverage for certain affiliates effective July 1, 2004 Total amounts accrued for claims incurred but not reported under the claims made policies approximate $79,571 and $76,201 at June 30, 2014 and 2013, respectively Amounts included in current liabilities at June 30, 2014 and 2013 are $11,510 and $10,623, respectively Amounts recognized as anticipated insurance recoveries related to the claims approximate $2,875 and $3,438 at June 30, 2014 and 2013, respectively

In addition, the Corporation is provided insurance coverage through the Pennsylvania Medical Care Availability and Reduction of Error Fund (the Mcare Fund) for services rendered in the Commonwealth of Pennsylvania and purchases excess coverage through a commercial insurer

The Mcare Fund
Most of the Corporation's entities providing services in Pennsylvania are required to participate in the Mcare Fund The Mcare Fund, an agency fund of the Commonwealth or Pennsylvania, provides coverage in excess of the required primary layer The Mcare Fund exposure was capped at $500 per incident and $1,500 in aggregate for fiscal 2014 and 2013

The actuarially computed liability to all health care providers (hospitals, physicians and others) participating in the Mcare Fund at June 30, 2014 is expected to be substantially in excess of the amount the Mcare Fund has available to pay these claims The Corporation's annual surcharge premium for participation in the Mcare Fund was approximately $984 and $834 in 2014 and 2013, respectively No provision has been made for any future Mcare Fund assessments in the accompanying consolidated financial statements as the Corporation's portion of the Mcare Fund unfunded liability could not be reasonably estimated

Workers' Compensation Claims
Certain of the Corporation's entities are partially self-insured for workers' compensation claims The Corporation estimates and accrues the ultimate undiscounted costs, including incurred but not reported costs, of the settlement of such claims Total amounts accrued under this program approximate $16,489 and $20,755 at June 30, 2014 and 2013, respectively Amounts included in current liabilities at June 30, 2014 and 2013 are $1,030 and $1,077, respectively Amounts recognized as anticipated insurance recoveries related to the claims approximate $3,122 and $5,470 at June 30, 2014 and 2013, respectively At June 30, 2014, the Corporation maintains letters of credit totaling $5,903 under its workers compensation program in order to collateralize potential payments of claims

(in thousands of dollars)

11. Fair Value of Financial Instruments

The Corporation follows authoritative guidance, which defines fair value, establishes a framework of measuring fair value, and expands disclosures related to fair value measurements Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value An asset or a liability's categorization within the fair value hierarchy is based on the lowest level of judgment input to its valuation Hierarchical levels, defined by authoritative guidance, are directly related to the amount of subjectivity associated with the valuation inputs for these assets and liabilities as follows

Level 1 Valuations based on quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment

Level 2 Valuations based on quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly

Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurement These are generally internally generated inputs and are not market based inputs

Investments and Assets Limited as to Use
Financial instruments measured at fair value are based on one or more of the three valuation techniques noted in the fair value guidance The three valuation techniques are as follows

Market Approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

Cost Approach - Amount that would be required to replace the service capacity of an asset (i e replacement cost)

Income Approach - Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques and option-pricing models)

(in thousands of dollars)

The categorization of assets limited as to use and investments within the fair value hierarchy defined by authoritative guidance is as follows

	2014				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	Valuation Technique
Cash and cash equivalents	$ 45,803	$ -	$ -	$ 45,803	Market
Fixed income securities	-	88,730	-	88,730	Market
Fixed income mutual funds	-	136,436	-	136,436	Market
Government securities	143,927	4,097	-	148,024	Market
Equity securities	152,527	-	-	152,527	Market
Equity mutual funds	101,836	-	-	101,836	Market
Real assets	34,227	-	-	34,227	Market
Pooled funds	-	47,014	-	47,014	Market
Other	1,229	-	-	1,229	Market
	$ 479,549	$ 276,277	$ -	$ 755,826	

	2013				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	Valuation Technique
Cash and cash equivalents	$ 65,377	$ -	$ -	$ 65,377	Market
Fixed income securities	-	129,362	-	129,362	Market
Fixed income mutual funds	-	115,265	-	115,265	Market
Government securities	159,400	9,477	-	168,877	Market
Equity securities	129,153	-	-	129,153	Market
Equity mutual funds	73,285	-	-	73,285	Market
Real assets	34,818	-	-	34,818	Market
Pooled funds	-	30,368	-	30,368	Market
Other	1,131	-	-	1,131	Market
	$ 463,164	$ 284,472	$ -	$ 747,636	

The Corporation uses the Net Asset Value (NAV) as determined by each general partner as the fair value of fund investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company The following table provides additional disclosures related to these funds

	2014			
	Recorded Value	Unfunded Commitments	Commitment Term	Redemption Terms
Pooled funds	$ 47,014	$ -	-	Monthly, Quarterly with 90 and 60 days prior written notice

(in thousands of dollars)

	2013			
	Recorded Value	Unfunded Commitments	Commitment Term	Redemption Terms
Pooled funds	$ 30,368	$ -	-	Monthly, Quarterly with 90 and 60 days prior written notice

Swaps Agreements
The Corporation entered into a floating to fixed interest rate swap agreement on March 20, 2007 The purpose of the agreement is to reduce the impact of fluctuations in interest rates and to achieve net synthetic fixed rate obligations At June 30, 2014 and 2013, the basis swap transactions were outstanding with notional amounts totaling $159,120 and $165,165, respectively, and maturity dates ranging from November 2017 to November 2031

The Corporation entered into a total return swap agreement (TRS) and an interest rate cap agreement (CAP) on September 8, 2011 The purpose of the TRS was to reduce the Corporation's overall cost of capital The purpose of the CAP was to reduce the variable interest rate risk of the TRS At June 30, 2014, the TRS and CAP transactions were outstanding each with notional amounts of $48,005 The maturity dates for the TRS and CAP are September 2016 and September 2014, respectively

The Corporation elected not to designate the swaps as a hedge for financial reporting purposes

The Corporation's swap agreements contain credit-risk-related provisions that require the Corporation to post collateral in varying amounts based on the Corporation's credit rating At June 30, 2014 and 2013, the Corporation was not required to post collateral

The Corporation's liability related to the fair value of derivative instruments at June 30 are as follows

	2014		2013	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Swaps agreements not designated as hedging instruments	Other liabilities	$ 22,178	Other liabilities	$ 23,024
	Other assets	743	Other assets	575

(in thousands of dollars)

The effects of derivative instruments on the consolidated statements of operations and changes in net assets for the years ended June 30 are as follows

	2014		2013	
	Financial Statement Location	Fair Value	Financial Statement Location	Fair Value
Change in fair value of swap agreements	Other income, net	$ 1,014	Other income, net	$ 9,989
Loss on swap agreements	Other income, net	(2,437)	Other income, net	(2,542)

The fair value of the swap agreements is the estimated amount the Corporation would receive or pay to terminate the agreements at the reporting date, taking into account current interest rates and the credit worthiness of the counterparty The Corporation exposes the counterparty to the swap agreements to credit loss in the event of nonperformance, however, nonperformance is not anticipated The fair value of the swap agreements is considered Level 2 within the valuation hierarchy as defined by authoritative guidance

Long-Term Debt
The fair value of long-term debt is based on the quoted market prices or estimated using a discounted cash flow analysis, based on the participating institution's incremental borrowing rates for similar types of borrowing arrangements

The carrying amounts and fair values of the Corporation's long-term debt at June 30, 2014 and 2013 are as follows

	2014	2013
Carrying amount	$ 279,144	$ 256,240
Estimated fair value	286,508	258,645

The fair value of the Corporation's long-term debt approximates its carrying amount, and as the fair values are based on observable market data, it is classified as Level 2

12. Commitments and Contingencies

The Corporation has various noncancelable operating lease agreements expiring through 2040 The rents under these agreements and cancelable rental agreements charged to operations amounted to $4,572 and $3,902 in 2014 and 2013, respectively

(in thousands of dollars)

The Corporation's noncancelable rental commitments as of June 30, 2014, are as follows

Years Ending June 30,		
2015	$	2,013
2016		1,565
2017		1,168
2018		934
2019		832
Thereafter		1,735
	$	8,247

The Corporation is involved in certain claims and legal proceedings in the normal course of business in which monetary damages and other relief are sought The Corporation is vigorously contesting these claims However, resolution of these claims is not expected to occur quickly and their ultimate outcome cannot presently be determined In any event, it is the opinion of management, after considering the effects of insurance coverage and related reserve estimates, the liability to the Corporation, if any, for claims or proceedings will not materially affect its financial position

The health care industry is subject to numerous laws and regulations of federal, state and local governments Compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown or unasserted at this time