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 black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning JULY 01 , 2012, and ending JUNE 30 , 20 13

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

C Name of organization LANCASTER GENERAL HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
555 NORTH DUKE STREET

City, town or post office, state, and ZIP code
LANCASTER, PA 17604

D Employer identification number
23-1365353

E Telephone number
(717)544-5398

G Gross receipts $ 1,186,811,789

F Name and address of principal officer: DENNIS ROEMER, EVP & CFO
555 NORTH DUKE STREET, LANCASTER, PA 17604

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

H(b) Are all affiliates 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.LGHEALTH.ORG

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

L Year of formation: 1893

M State of legal domicile: PA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: TO ADVANCE THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	6,418
6	Total number of volunteers (estimate if necessary)	6	652
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	6,797,751
b	Net unrelated business taxable income from Form 990-T, line 34	7b	1,204,107

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	4,464,192	5,027,737
9	Program service revenue (Part VIII, line 2g)	815,010,862	781,022,873
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,235,309	1,868,622
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	35,605,190	39,188,733
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	857,315,553	827,107,965

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,658,668	3,505,637
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)	417,001,898	398,729,504
16a	Professional fundraising fees (Part IX, column (A), line 11e)	64,350	35,100
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,199,081		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	376,290,909	332,278,899
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	797,015,825	734,549,140
19	Revenue less expenses. Subtract line 18 from line 12	60,299,728	92,558,825

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	784,628,278	757,904,514
21	Total liabilities (Part X, line 26)	338,351,954	327,044,893
22	Net assets or fund balances. Subtract line 21 from line 20	446,276,324	430,859,621

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

DENNIS ROEMER, EVP & CFO
Type or print name and title

Paid Preparer Use Only

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

Firm's name ▶ — Firm's EIN ▶

Firm's address ▶ — Phone no.

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

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11282Y Form **990** (2012)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . . ☑

1 Briefly describe the organization's mission:

TO ADVANCE THE HEALTH AND WELL-BEING OF THE COMMUNITIES WE SERVE. REFER TO FORM 990, SCHEDULE H FOR ADDITIONAL DISCLOSURE REGARDING LANCASTER GENERAL HOSPITAL'S MISSION.

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 $ 109,494,806 including grants of $) (Revenue $ 177,029,426)

SURGICAL SERVICES (29,004 ENCOUNTERS)

4b (Code:) (Expenses $ 106,912,624 including grants of $) (Revenue $ 183,780,419)

NURSING SERVICES (155,774 PATIENT DAYS)

4c (Code:) (Expenses $ 56,828,145 including grants of $) (Revenue $ 55,498,384)

PHARMACY (13,340,680 SERVICES)

4d Other program services (Describe in Schedule O.)
(Expenses $ 275,686,298 including grants of $ 3,505,637) (Revenue $ 399,926,323)

4e **Total program service expenses** ▶ 548,921,873

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	✔	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	✔	
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		✔
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	✔	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✔
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✔
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		✔
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✔
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		✔
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	✔	
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	✔	
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		✔
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		✔
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	✔	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	✔	
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	✔	
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		✔
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	✔	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✔
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✔
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		✔
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		✔
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		✔
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	✔	
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	✔	
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		✔
20 a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	✔	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	✔	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	✔	
22	Did the organization report more than $5,000 of grants and 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	✔	
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	✔	
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 25*	24a	✔	
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		✔
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		✔
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✔
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		✔
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		✔
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✔
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	✔	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	✔	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✔
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✔
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		✔
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		✔
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	✔	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	✔	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	✔	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✔
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		✔
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	✔	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	383		
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		✔	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	6,418		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? .	2b		✔	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions) . .				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		✔	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," 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		✔	
b	If "Yes," enter the name of the foreign country: ► CJ 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			✔
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			✔
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			✔
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			✔
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			✔
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			✔
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? .	7f			✔
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities .	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . .	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O.				
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			✔
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 line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question 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	16		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent .	1b	14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			✔
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			✔
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			✔
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5			✔
6	Did the organization have members or stockholders?	6		✔	
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		✔	
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		✔	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		✔	
b	Each committee with authority to act on behalf of the governing body?	8b		✔	
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			✔

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	✔	
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	✔	
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		✔
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b		
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		
13	Did the organization have a written whistleblower policy?	13		✔
14	Did the organization have a written document retention and destruction policy?	14		✔
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		✔
b	Other officers or key employees of the organization	15b		✔
	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	✔	
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 Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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: ▶ DENNIS ROEMER, EVP & CFO, 555 NORTH DUKE STREET, LANCASTER, PA 17604, (717)544-4926, FAX: (717)544-5249

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

Check if Schedule O contains a response to any question 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, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) THOMAS E BEEMAN, PHD	60									
PRESIDENT AND CEO, LANCASTER GENERAL HEALTH	16	✔		✔				1,102,183	0	187,276
(2) ALEXANDER HENDERSON, ESQ	2									
CHAIRPERSON	2	✔		✔				0	0	0
(3) C. CLAIR MCCORMICK	2									
VICE CHAIRPERSON	2	✔		✔				0	0	0
(4) GIBSON ARMSTRONG	2									
TRUSTEE	2	✔						0	0	0
(5) REBECCA S BUMSTEAD	2									
TRUSTEE	4	✔						0	0	0
(6) F. NICHOLAS GRASBERGER	2									
TRUSTEE	2	✔						0	0	0
(7) JOANNE B LADLEY	2									
TRUSTEE	4	✔						0	0	0
(8) ROBERT F LATSHAW, MD	2									
TRUSTEE	2	✔						0	0	0
(9) BRUCE R LIMPERT	2									
TRUSTEE	2	✔						0	0	0
(10) LORI PICKELL	2									
TRUSTEE	2	✔						0	0	0
(11) DEBORAH K RILEY, MD	16									
TRUSTEE	2	✔						19,900	0	796
(12) CHARLES RODENBERGER, MD	2									
TRUSTEE	2	✔						0	0	0
(13) ANTONIO SUAREZ	2									
TRUSTEE	2	✔						0	0	0
(14) MICHAEL W VAN BELLE	2									
TRUSTEE	4	✔						0	0	0

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			
(15) PHILIP R WENGER	2									
TRUSTEE	4	✔						0	0	0
(16) PATRICK D WHALEN	2									
TRUSTEE	4	✔						0	0	0
(17) JAN L BERGEN	55									
EVP, LANCASTER GENERAL HEALTH AND PRESIDENT, LANCASTER GENERAL HEALTH NETWORK	12			✔				664,653	0	171,809
(18) KAY BRADY	55									
VP, HUMAN RESOURCES	2			✔				168,227	0	21,338
(19) JUDI L BRENDLE	55									
VP, NURSING	0			✔				258,292	0	27,731
(20) F. JOSEPH BYORICK, III	55									
CFO EMERITUS & TREASURER	18			✔				608,292	0	27,874
(21) KENNETH J COLLINS	55									
VP, MATERIALS MANAGEMENT	0			✔				71,691	0	8,043
(22) MARGARET F COSTELLA, ESQ	55									
VP, LEGAL SERVICES AND ASSISTANT SECRETARY	12			✔				241,917	0	11,582
(23) GARY DAVIDSON	55									
SVP AND CIO	2			✔				472,702	0	64,218
(24) LEE M DUKE II, MD	55									
SVP AND CHIEF PHYSICIAN EXECUTIVE	4			✔				592,960	0	130,977
(25) GEOFFREY W EDDOWES	55									
SVP WBH AND POST ACUTE CARE	4			✔				313,877	0	59,055
1b Sub-total ▶								4,514,693	0	710,699
c Total from continuation sheets to Part VII, Section A ▶								7,631,482	0	748,287
d Total (add lines 1b and 1c) ▶								12,146,175	0	1,458,986

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 ▶ 388

		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**		✔
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**	✔	
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**		✔

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
BENCHMARK CONSTRUCTION, PO BOX 806, BROWNSTOWN, PA 17508	CONSTRUCTION	25,988,068
DELOITTE CONSULTING LLP, 4022 SELLS DRIVE, HERMITAGE, TN 37076	CONSULTING	12,958,595
EPIC SYSTEMS CORP, PO BOX 88314, MILWAUKEE, WI 53288	HEALTHCARE TECHNOLOGY	4,098,959
SIEMENS MEDICAL SOLUTIONS, PO BOX 7777, PHILADELPHIA, PA 19175	MAINTENANCE REPAIRS	2,432,276
JUDGE INC, 300 CONSHOHOKEN STATE ROAD, WEST CONSHOHOKEN, PA 19428	CONSULTING	2,153,258

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 ▶ 199

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question 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, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a 1,180,851				
	b	Membership dues	1b				
	c	Fundraising events	1c 315				
	d	Related organizations	1d 50,000				
	e	Government grants (contributions)	1e 736,786				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 3,059,785				
	g	Noncash contributions included in lines 1a-1f: $ 29,180					
	h	**Total.** Add lines 1a–1f ▶		5,027,737			
Program Service Revenue			**Business Code**				
	2a	OTHER NET PATIENT REVENUE	900099	514,714,891	510,756,246	3,958,645	
	b	MEDICARE/MEDICAID NET PATIENT REVENUE	900099	301,519,661	301,519,661		
	c	CAPITATION REVENUE	900099	419,665	419,665		
	d	PROVISION FOR BAD DEBT	900099	-38,700,071	-38,700,071		
	e	RENT REVENUE FROM AFFILIATES	900099	2,137,834	2,137,834		
	f	All other program service revenue .	900099	930,893	930,893	0	0
	g	**Total.** Add lines 2a–2f ▶		781,022,873			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		1,743,153			1,743,153
	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			
	7a	Gross amount from sales of assets other than inventory	(i) Securities 359,826,411 / (ii) Other				
	b	Less: cost or other basis and sales expenses	359,700,942				
	c	Gain or (loss)	125,469 / 0				
	d	Net gain or (loss) ▶		125,469			125,469
	8a	Gross income from fundraising events (not including $ 315 of contributions reported on line 1c). See Part IV, line 18 a	16,068				
	b	Less: direct expenses b	2,882				
	c	Net income or (loss) from fundraising events ▶		13,186			13,186
	9a	Gross income from gaming activities. See Part IV, line 19 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from gaming activities ▶		0			
	10a	Gross sales of inventory, less returns and allowances a					
	b	Less: cost of goods sold b					
	c	Net income or (loss) from sales of inventory ▶		0			
		Miscellaneous Revenue	**Business Code**				
	11a	SALE OF SERVICES	541900	7,253,721	4,447,469	2,806,252	
	b	MEDICAL SERVICES REVENUE	900099	8,353,185	8,353,185		
	c	RENTAL REVENUE	531190	5,078,485			5,078,485
	d	All other revenue		18,490,156	13,985,370	32,854	4,471,932
	e	**Total.** Add lines 11a–11d ▶		39,175,547			
	12	**Total revenue.** See instructions. ▶		827,107,965	803,850,252	6,797,751	11,432,225

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 to any question 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	3,489,637	3,489,637		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22	16,000	16,000		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	10,091,591		10,091,591	
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	298,032,668	226,727,978	70,622,144	682,546
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	30,089,396	23,248,491	6,770,917	69,988
9	Other employee benefits	39,539,978	26,918,337	12,553,994	67,647
10	Payroll taxes	20,975,871	15,524,717	5,412,880	38,274
11	Fees for services (non-employees):				
a	Management	0			
b	Legal	657,299		657,299	
c	Accounting	248,216	6,360	241,521	335
d	Lobbying	85,989		85,989	
e	Professional fundraising services. See Part IV, line 17	35,100			35,100
f	Investment management fees	81,537		81,537	
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	34,952,300	9,436,156	25,513,790	2,354
12	Advertising and promotion	1,678,100	1,678,038	62	
13	Office expenses	28,054,757	9,497,328	18,509,983	47,446
14	Information technology	15,850,527	1,221,081	14,609,954	19,492
15	Royalties	0			
16	Occupancy	17,448,466	14,850,213	2,582,869	15,384
17	Travel	1,510,166	594,802	897,105	18,259
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	7,632,950	7,632,950		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	46,628,558	20,896,959	25,729,942	1,657
23	Insurance	4,575,609	52,100	4,523,509	
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	PURCHASED SERVICES	32,805,121	21,126,414	11,617,054	61,653
b	BAD DEBT (NON-PATIENT)	28,338		28,338	
c	MGMT FEE	1,114,720		1,114,720	
d	MED/SURG SUPPLY	138,861,400	133,691,942	5,164,769	4,689
e	All other expenses	64,846	32,312,370	(32,381,781)	134,257
25	**Total functional expenses.** Add lines 1 through 24e	734,549,140	548,921,873	184,428,186	1,199,081
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)	0			

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X . . . . . ☑

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	23,904	1	25,155
	2	Savings and temporary cash investments	119,806,687	2	33,329,579
	3	Pledges and grants receivable, net	5,414,468	3	4,030,204
	4	Accounts receivable, net	100,596,228	4	91,724,369
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	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		6	0
	7	Notes and loans receivable, net	1,581,456	7	1,912,714
	8	Inventories for sale or use	4,270,772	8	12,150,409
	9	Prepaid expenses and deferred charges	9,905,975	9	9,944,309
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 1,011,762,576			
	b	Less: accumulated depreciation — 10b: 536,164,956	447,732,704	10c	475,597,620
	11	Investments—publicly traded securities	43,093,687	11	87,837,224
	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		14	
	15	Other assets. See Part IV, line 11	52,202,397	15	41,352,931
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	784,628,278	16	757,904,514
Liabilities	17	Accounts payable and accrued expenses	69,148,794	17	64,039,458
	18	Grants payable		18	
	19	Deferred revenue	2,001,633	19	1,147,408
	20	Tax-exempt bond liabilities	226,888,855	20	222,110,907
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	0
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	40,312,672	25	39,747,120
	26	**Total liabilities.** Add lines 17 through 25	338,351,954	26	327,044,893
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	420,746,753	27	413,443,410
	28	Temporarily restricted net assets	18,473,946	28	9,796,319
	29	Permanently restricted net assets	7,055,625	29	7,619,892
		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	446,276,324	33	430,859,621
	34	Total liabilities and net assets/fund balances	784,628,278	34	757,904,514

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	827,107,965
2	Total expenses (must equal Part IX, column (A), line 25)	2	734,549,140
3	Revenue less expenses. Subtract line 2 from line 1	3	92,558,825
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	446,276,324
5	Net unrealized gains (losses) on investments	5	1,267,621
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-109,243,154
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	430,859,616

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question 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		✔
	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	✔	
	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	✔	
	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	✔	
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	✔	

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(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			
(26) NORMA J FERDINAND SVP, CHIEF QUALITY OFFICER	55 2			✓				764,292	0	87,095
(27) LISA R HESS VP, MARKETING AND RELATIONSHIP MANAGEMENT	55 2			✓				176,538	0	24,245
(28) ELIZABETH D HILLS VP, RISK MANAGEMENT & CORPORATE COMPLIANCE	55 2			✓				171,212	0	13,644
(29) DENISE A KENNEDY VP, FINANCIAL SERVICES	55 4			✓				185,538	0	14,843
(30) ROBERT P MACINA, ESQ SVP, CHIEF ADMINISTRATIVE/LEGAL OFFICER AND CORPORATE SECRETARY	55 20			✓				465,885	0	104,569
(31) MARION A MCGOWAN, RN PRESIDENT OF LANCASTER GENERAL HOSPITAL AND PRESIDENT OF LG HEALTH INNOVATION, INC.	55 8			✓				694,505	0	27,996
(32) REGINA M MINGLE SVP AND CHIEF LEADERSHIP OFFICER	55 4			✓				426,402	0	94,823
(33) MARY B MISKEY VP, HUMAN RESOURCES OPERATIONS	55 2			✓				187,795	0	15,158
(34) KEITH A ORRIS SVP, COMMUNITY AND GOVERNMENT AFFAIRS	55 2			✓				273,833	0	27,408
(35) RICHARD D PAOLETTI VP, OPERATIONS	55 0			✓				239,432	0	26,994
(36) JOSEPH A PUSKAR SVP, CUSTOMER SUPPORT SERVICES	55 2			✓				293,962	0	28,054
(37) DOUGLAS W RINEHART VP, CONTROLLER	55 2			✓				194,597	0	24,989
(38) DENNIS R ROEMER EVP & CFO	55 4			✓				401,040	0	22,078
(39) SUSAN WYNNE SVP, BUSINESS DEVELOPMENT-AMBULATORY SERVICES	55 2			✓				330,506	0	58,154
(40) STACEY G YOUCIS VP, OPERATIONS-MUSCULOSKELETAL AND PERIOPERATIVE SERVICES	55 0			✓				244,130	0	26,956
(41) TIMOTHY C ZELLERS VP, CARDIOVASCULAR SERVICES LINES & PULMONARY SERVICE	55 2			✓				203,731	0	25,515

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (Check all that apply)						(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			
(42) PHILIP BAYLISS MEDICAL DIRECTOR	50 0					✓		548,113	0	25,557
(43) TIMOTHY BOLEY PERINATOLOGIST	50 0					✓		522,182	0	27,902
(44) JOHN LEE ASSOC MEDICAL DIRECTOR TRAUMA	50 0					✓		506,987	0	27,032
(45) KEVIN LORAH MEDICAL DIRECTOR	50 0					✓		387,866	0	27,773
(46) JOHN YELCICK MEDICAL DIRECTOR LABORATORIES	50 0					✓		412,935	0	17,504

SCHEDULE A
(Form 990 or 990-EZ)

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.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

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 33⅓% 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 33⅓% 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	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									0

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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14	Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	**14**	%
15	Public support percentage from 2011 Schedule A, Part II, line 14	**15**	%

16a **33 1/3% support test—2012.** 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—2011.** 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—2012.** 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—2011.** 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests—2012.** 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—2011.** 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 ▶ ☐

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, Form 990-EZ, or Form 990-PF.**

OMB No. 1545-0047

2012

Name of the organization	**Employer identification number**
LANCASTER GENERAL HOSPITAL	23-1365353

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☑ 501(c)(3) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☐ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☑ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33⅓ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ► $

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		$ 430,840	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
2		$ 377,261	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
3		$ 264,099	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
4		$ 250,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
5		$ 188,911	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
6		$ 171,500	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		$ 170,368	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
8		$ 150,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
9		$ 115,581	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
10		$ 105,538	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
11		$ 100,822	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
12		$ 100,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13		$ 100,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
14		$ 100,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
15		$ 90,172	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
16		$ 75,768	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
17		$ 50,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
18		$ 50,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19		$ 50,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
20		$ 50,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
21		$ 47,484	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
22		$ 45,975	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
23		$ 45,264	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
24		$ 41,665	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
25		$ 40,529	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
26		$ 33,154	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
27		$ 31,094	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
28		$ 25,630	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
29		$ 25,584	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
30		$ 25,050	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
31		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
32		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
33		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
34		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
35		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
36		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
37		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
38		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
39		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
40		$ 25,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
41		$ 23,488	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
42		$ 22,192	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
43		$ 20,876	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
44		$ 20,443	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
45		$ 20,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
46		$ 18,750	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
47		$ 17,911	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
48		$ 16,533	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
49		$ 15,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
50		$ 15,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
51		$ 15,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
52		$ 14,641	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
53		$ 13,472	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
54		$ 10,071	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
55		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
56		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
57		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
58		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
59		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
60		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
61		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
62		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
63		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
64		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
65		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
66		$ 10,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
67		$ 9,748	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
68		$ 9,100	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
69		$ 7,700	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
70		$ 7,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
71		$ 6,888	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
72		$ 6,500	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
73		$ 6,250	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
74		$ 6,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
75		$ 5,617	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
76		$ 5,550	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
77		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
78		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
79		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
80		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
81		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
82		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
83		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
84		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
85		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
86		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
87		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
88		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
89		$ 5,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization LANCASTER GENERAL HOSPITAL

Employer identification number 23-1365353

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e) and** the following line entry.
For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ $
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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.**

OMB No. 1545-0047

2012

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 organization	Employer identification number
LANCASTER GENERAL HOSPITAL	23-1365353

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-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

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

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

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

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

g	Grassroots nontaxable amount (enter 25% of line 1f)		
h	Subtract line 1g from line 1a. If zero or less, enter -0-		
i	Subtract line 1f from line 1c. If zero or less, enter -0-		
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	☐ Yes ☐ No	

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)		(a) 2009	(b) 2010	(c) 2011	(d) 2012	(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?		✔	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	✔		
c	Media advertisements?		✔	
d	Mailings to members, legislators, or the public?	✔		15,816
e	Publications, or published or broadcast statements?	✔		5,889
f	Grants to other organizations for lobbying purposes?	✔		45,989
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	✔		35,728
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	✔		103,630
i	Other activities?	✔		20,000
j	Total. Add lines 1c through 1i			227,052
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		✔	
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**

Complete this part to 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.

SEE NEXT PAGE

Part IV **Supplemental Information** Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

Return Reference	Identifier	Explanation
SCHEDULE C, PART II-B, LINE 1	DESCRIPTION OF THE ACTIVITIES REPORTED ON LINES 1A THROUGH 1I	LANCASTER GENERAL HOSPITAL ATTEMPTED 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 MAILINGS, PUBLICATIONS, GRANTS, DIRECT CONTACT, AND RALLIES, DEMONSTRATIONS, SEMINARS, CONVENTIONS, SPEECHES, LECTURES, OR OTHER SIMILAR MEANS.

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.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LANCASTER GENERAL HOSPITAL

Employer identification number
23-1365353

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 Tax 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	6,583,532	6,712,971	5,136,601	4,590,848	5,209,323
b	Contributions	68,821	141,048	750,733	5,720	62,387
c	Net investment earnings, gains, and losses	703,460	216,509	929,316	555,097	-679,295
d	Grants or scholarships					
e	Other expenditures for facilities and programs	31,483	486,960	105,106	11,892	
f	Administrative expenses	-1,280	36	-1,427	3,172	1,567
g	End of year balance	7,325,610	6,583,532	6,712,971	5,136,601	4,590,848

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 ▶ 65 %
c Temporarily restricted endowment ▶ 35 %

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. 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		33,697,156		33,697,156
b Buildings		421,301,180	159,319,202	261,981,978
c Leasehold improvements		15,460,441	10,239,096	5,221,345
d Equipment		424,994,441	296,667,705	128,326,736
e Other		116,309,358	69,938,953	46,370,405
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				475,597,620

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

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

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) MISCELLANEOUS RECEIVABLE	12,610,211
(2) OTHER LONG-TERM ASSETS	7,299,690
(3) PERPETUAL TRUST FUNDS SHOWN AT YEAR END MARKET VALUE	6,941,147
(4) ASSETS WHOSE USE IS LIMITED	6,059,680
(5) INVESTMENTS IN NON-CONSOLIDATING AFFILIATES	4,171,473
(6) DUE FROM AFFILIATES	2,924,409
(7) FUNDS HELD BY AN AFFILIATE SHOWN AT YEAR END MARKET VALUE	1,110,273
(8) OTHER CURRENT ASSETS	236,048
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	41,352,931

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) OTHER LONG-TERM LIABILITIES	21,963,363
(3) ESTIMATED THIRD PARTY PAYOR SETTLEMENTS	12,526,000
(4) INTEREST PAYABLE	3,175,489
(5) CAPITAL LEASE OBLIGATIONS	2,082,268
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	39,747,120

2. FIN 48 (ASC 740) Footnote. 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

1	Total revenue, gains, and other support per audited financial statements			1	719,132,436
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	1,267,621		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d	-109,243,150		
e	Add lines **2a** through **2d**			2e	-107,975,529
3	Subtract line **2e** from line **1**			3	827,107,965
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	0		
c	Add lines **4a** and **4b**			4c	0
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	827,107,965

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	734,549,140
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	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	734,549,140
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	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	734,549,140

Part XIII Supplemental Information

Complete this part to 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.

SEE NEXT PAGE

Part XIII

Supplemental Information Complete this part to 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.

<table>
<tr><th>Return Reference</th><th>Identifier</th><th>Explanation</th></tr>
<tr><td>SCHEDULE D, PART V, LINE 4</td><td>INTENDED USES OF ENDOWMENT FUNDS</td><td>LANCASTER GENERAL HOSPITAL UTILIZES THE ENDOWMENT FUNDS IN ACCORDANCE WITH THEIR TAX-EXEMPT PURPOSE AND AS SPECIFIED BY DONOR.</td></tr>
<tr><td>SCHEDULE D, PART X, LINE 2</td><td>FIN 48 (ASC 740) FOOTNOTE</td><td>LANCASTER GENERAL HOSPITAL FOLLOWS THE ACCOUNTING GUIDANCE FOR UNCERTAINTIES IN INCOME TAX POSITIONS WHICH REQUIRES THAT A TAX POSITION BE RECOGNIZED OR DERECOGNIZED BASED ON A "MORE LIKELY THAN NOT" THRESHOLD. THIS APPLIES TO POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. LANCASTER GENERAL HOSPITAL DOES NOT BELIEVE ITS CONSOLIDATED FINANCIAL STATEMENTS INCLUDE ANY MATERIAL UNCERTAIN TAX POSITIONS.</td></tr>
<tr><td>SCHEDULE D, PART XI, LINE 2D</td><td>OTHER REVENUES IN AUDITED FINANCIAL STATEMENTS NOT IN FORM 990</td><td>
<table>
<tr><th>(a) Description</th><th>(b) Amount</th></tr>
<tr><td>RELATED PARTY TRANSFERS</td><td>- 114,981,778</td></tr>
<tr><td>PERPETUAL TRUST DISTRIBUTION</td><td>79,491</td></tr>
<tr><td>CHANGE IN INTEREST IN LG-TRNA</td><td>358,296</td></tr>
<tr><td>OTHER NON-OPERATING INCOME</td><td>5,300,841</td></tr>
</table>
</td></tr>
</table>

SCHEDULE G (Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No. 1545-0047
2012
Open to Public Inspection

Name of the organization
LANCASTER GENERAL HOSPITAL

Employer identification number
23-1365353

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

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

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

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

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

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1 LINDSLEY CONSULTING GROUP 89 LEAMAN ROAD, LANCASTER, PA 17603	CANCER CAPITAL CAMPAIGN SUPPORT		✔	500,000	35,100	464,900
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶				500,000	35,100	464,900

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

PA

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

		(a) Event #1 EMPOWERED BY PINK (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	16,068			16,068
	2 Less: Contributions				0
	3 Gross income (line 1 minus line 2)	16,068	0	0	16,068
Direct Expenses	4 Cash prizes				0
	5 Noncash prizes				0
	6 Rent/facility costs				0
	7 Food and beverages	2,882			2,882
	8 Entertainment				0
	9 Other direct expenses				0
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(2,882)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				13,186

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

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

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

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

b If "No," explain:

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

b If "Yes," explain:

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

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

13 Indicate the percentage of gaming activity operated in:

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

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

Name ▶ _____

Address ▶ _____

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

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

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

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

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

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

Part IV Supplemental Information.

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

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.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LANCASTER GENERAL HOSPITAL

Employer identification number
23 1365353

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	✔	
b	If "Yes," was it a written policy?	1b	✔	
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	✔	
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	✔	
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	✔	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	✔	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	✔	
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 eligible for free or discounted care?	5c		✔
6a	Did the organization prepare a community benefit report during the tax year?	6a	✔	
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)			11,789,457	0	11,789,457	1.61
b Medicaid (from Worksheet 3, column a)			66,906,128	0	66,906,128	9.11
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0	0	0.00
d **Total** Financial Assistance and Means-Tested Government Programs	0	0	78,695,585	0	78,695,585	10.72
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			9,157,208	3,943,607	5,213,601	0.71
f Health professions education (from Worksheet 5)			12,270,225	1,838,674	10,431,551	1.42
g Subsidized health services (from Worksheet 6)			262,002	84,917	177,085	0.02
h Research (from Worksheet 7)					0	0.00
i Cash and in-kind contributions for community benefit (from Worksheet 8)			609,637	0	609,637	0.08
j **Total.** Other Benefits	0	0	22,299,072	5,867,198	16,431,874	2.23
k **Total.** Add lines 7d and 7j	0	0	100,994,657	5,867,198	95,127,459	12.95

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					0	0.00
2	Economic development					0	0.00
3	Community support					0	0.00
4	Environmental improvements					0	0.00
5	Leadership development and training for community members					0	0.00
6	Coalition building					0	0.00
7	Community health improvement advocacy			245,888	0	245,888	0.03
8	Workforce development					0	0.00
9	Other			1,500,000	0	1,500,000	0.20
10	**Total**	0	0	1,745,888	0	1,745,888	0.24

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 Healthcare Financial Management Association Statement No. 15?	1	✔	
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 38,700,071		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.	3 0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5 266,269,220		
6	Enter Medicare allowable costs of care relating to payments on line 5	6 344,027,496		
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7 -77,758,276		
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	✔	
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		✔

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? 2

Name, address, and primary website address	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
1 LANCASTER GENERAL HOSPITAL 555 NORTH DUKE STREET, PO BOX 3555 LANCASTER, PA 17604-3555 WWW.LGHEALTH.ORG	✔	✔		✔		✔	✔			A
2 WOMEN AND BABIES HOSPITAL 690 GOOD DRIVE, PO BOX 3750 LANCASTER, PA 17604-3750 WWW.LGHEALTH.ORG	✔	✔		✔						A
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

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 A

For single facility filers 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.	✔	
	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 1 2		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives 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	✔	
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	✔	
5	Did the hospital facility make its CHNA report widely available to the public?	✔	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a ☑	Hospital facility's website		
b ☑	Available upon request from the hospital facility		
c ☐	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 to date):		
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	✔	
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)?		✔
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
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)*

			Yes	No
Financial Assistance Policy				
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	✔	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	✔	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 200 %			
	If "No," explain in Part VI the criteria the hospital facility used.			
11	Used FPG to determine eligibility for providing *discounted* care?	11	✔	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: 400 %			
	If "No," explain in Part VI the criteria the hospital facility used.			
12	Explained the basis for calculating amounts charged to patients?	12	✔	
	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	☐ Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	13	✔	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	✔	
	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 on 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	✔	
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 patient'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 Part VI)			
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 patient's eligibility under the facility's FAP?	17	✔	
	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 Part VI)			

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 patients regarding the patients' bills
- **d** ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Part VI)

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**	✔	
	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 of its FAP-eligible individuals, 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**		✔
	If "Yes," explain in Part VI.			
22	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		✔
	If "Yes," explain in Part VI.			

Part V Facility Information *(continued)*

Section C. 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? 9

Name and address	Type of Facility (describe)
1 SUBURBAN OUTPATIENT PAVILION 2100 HARRISBURG PIKE, PO BOX 3200 LANCASTER, PA 17604	OUTPATIENT SERVICES
2 DOWNTOWN OUTPATIENT PAVILION 540 NORTH DUKE STREET LANCASTER, PA 17604	OUTPATIENT SERVICES
3 KISSEL HILL OUTPATIENT CENTER 51 PETERS ROAD LITITZ, PA 17543	OUTPATIENT SERVICES
4 WILLOW LAKES OUTPATIENT CENTER 212 WILLOW VALLEY LAKES DRIVE WILLOW STREET, PA 17584	OUTPATIENT SERVICES
5 COLUMBIA OUTPATIENT CENTER 306 NORTH SEVENTH STREET, PO BOX 926 COLUMBIA, PA 17512	OUTPATIENT SERVICES
6 NORLANCO OUTPATIENT CENTER 424 CLOVERLEAF ROAD ELIZABETHTOWN, PA 17022	OUTPATIENT SERVICES
7 WALTER L. AUMENT FAMILY HEALTH CENTER 317 SOUTH CHESTNUT STREET QUARRYVILLE, PA 17566	OUTPATIENT SERVICES
8 CROOKED OAK OUTPATIENT CENTER 1671 CROOKED OAK DRIVE LANCASTER, PA 17601	OUTPATIENT SERVICES
9 EDEN PHYSICAL THERAPY 730 EDEN ROAD LANCASTER, PA 17601	OUTPATIENT SERVICES
10	

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments 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 polic

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

Return Reference	Identifier	Explanation
SCHEDULE H, PART I, LINE 3C	FEDERAL POVERTY GUIDELINES	LANCASTER GENERAL HOSPITAL FOLLOWS THE FEDERAL POVERTY GUIDELINES FOR FREE CARE AND DISCOUNTED CARE.
SCHEDULE H, PART I, LINE 5B	FREE OR DISCOUNTED CARE BUDGET	LANCASTER GENERAL HOSPITAL'S FINANCIAL ASSISTANCE EXPENSES OF $30,724,500 PROVIDED UNDER ITS CHARITY CARE POLICY EXCEEDED ITS BUDGETED AMOUNT OF $24,000,021 BY $6,724,479. THE PRIOR YEAR EXPENSES WERE $23,060,052.
SCHEDULE H, PART I, LINE 6A	COMMUNITY BENEFIT REPORT PREPARED BY RELATED ORGANIZATION	LANCASTER GENERAL HEALTH
SCHEDULE H, PART I, LINE 6A	COMMUNITY BENEFIT REPORT	LANCASTER GENERAL HOSPITAL'S COMMUNITY BENEFIT REPORT IS A REPORT DISTINCT FOR THIS ORGANIZATION.
SCHEDULE H, PART I, LINE 6B	COMMUNITY BENEFIT REPORT	LANCASTER GENERAL HOSPITAL MAKES AVAILABLE TO THE PUBLIC AN ANNUAL REPORT WHICH INCLUDES INFORMATION ABOUT COMMUNITY BENEFIT AND HEALTH EFFORTS.
SCHEDULE H, PART I, LINE 7	COSTING METHODOLOGY USED TO CALCULATE FINANCIAL ASSISTANCE	A COST ACCOUNTING SYSTEM WAS USED TO CALCULATE THE COST TO CHARGE RATIO BY CALCULATING TOTAL PATIENT CHARGES AND THE COSTS RELATED TO THESE CHARGES. THIS SYSTEM ADDRESSES ALL PATIENT SEGMENTS. PART I, LINE 7A, COLUMN C - FINANCIAL ASSISTANCE AT COST WAS CALCULATED USING THE COST ACCOUNTING SYSTEM COST TO CHARGE RATIO.
SCHEDULE H, PART I, LINE 7	PERCENT OF TOTAL EXPENSE	THE FUNCTIONAL EXPENSE IS POPULATED FROM FORM 990, PART IX, LINE 25. BAD DEBT IS NO LONGER SUBTRACTED FROM THE FUNCTIONAL EXPENSE AMOUNT BECAUSE IN JULY 2012, LANCASTER GENERAL HOSPITAL ADOPTED THE PROVISIONS OF ASU 2011-07 "PRESENTATION AND DISCLOSURE OF PATIENT REVENUE, PROVISION FOR BAD DEBTS, AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTH CARE ENTITIES." THE ASU REQUIRES HEALTH CARE ENTITIES TO PRESENT THE PROVISION FOR BAD DEBTS RELATED TO PATIENT SERVICE REVENUE AS A DEDUCTION FROM PATIENT SERVICE REVENUE ON THE FACE OF THE COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS.
SCHEDULE H, PART I, LINE 7, COLUMN(F)	BAD DEBT EXPENSE EXCLUDED FROM FINANCIAL ASSISTANCE CALCULATION	0
SCHEDULE H, PART I, LINE 7G	SUBSIDIZED HEALTH SERVICES	SUBSIDIZED HEALTH SERVICES REPORTED INCLUDES A COMPREHENSIVE CARE CLINIC.
SCHEDULE H, PART II	COMMUNITY BUILDING ACTIVITIES	PART II, LINE 7, COMMUNITY HEALTH IMPROVEMENT ADVOCACY INCLUDES SALARIES FOR FINANCIAL COUNSELORS WHO DISCUSS ELIGIBILITY AND REGISTER PATIENTS FOR ALL GOVERNMENTAL AND FINANCIAL ASSISTANCE PROGRAMS. PART II, LINE 9, OTHER - INCLUDES PAYMENTS TO THE SCHOOL DISTRICT OF LANCASTER (EIN# 23-1726414) WHICH PROVIDES FUNDING FOR SCHOOL BASED HEALTH CLINICS AS WELL AS NURSING STAFFING TO PROMOTE THE HEALTH AND WELL-BEING OF SCHOOL AGED CHILDREN.
SCHEDULE H, PART III, LINE 2	BAD DEBT EXPENSE - METHODOLOGY USED TO ESTIMATE AMOUNT	LANCASTER GENERAL HOSPITAL RECOGNIZES BAD DEBT EXPENSE AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON HISTORICAL EXPERIENCE FOR BOTH THIRD-PARTY PAYERS AND SELF PAY. MANAGEMENT REGULARLY EVALUATES PATIENT ACCOUNT HISTORY IN DETERMINING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS. PATIENT ACCOUNTS RECEIVABLE ARE CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS WHEN MANAGEMENT DETERMINES THAT RECOVERY IS UNLIKELY AND COLLECTION EFFORTS CEASE. LOSSES HAVE BEEN CONSISTENT WITH MANAGEMENT'S EXPECTATIONS.
SCHEDULE H, PART III, LINE 3	BAD DEBT EXPENSE - METHODOLOGY USED TO ESTIMATE AMOUNT AS COMMUNITY BENEFIT	AMOUNT IS ZERO BECAUSE THESE ACCOUNTS WOULD NOT BE INCLUDED AS BAD DEBT BUT WOULD BE INCLUDED AS CHARITY CARE.
SCHEDULE H, PART III, LINE 4	BAD DEBT EXPENSE - FINANCIAL STATEMENT	BAD DEBT IS EXPLAINED WITHIN THE NET PATIENT SERVICE REVENUE SECTION OF THE NOTES TO FINANCIAL STATEMENTS ON PAGES 11 AND 12 OF LANCASTER GENERAL HOSPITAL'S ATTACHED AUDITED FINANCIAL STATEMENTS.

Return Reference	Identifier	Explanation
	FOOTNOTE	
SCHEDULE H, PART III, LINE 8	COMMUNITY BENEFIT & METHODOLOGY FOR DETERMINING MEDICARE COSTS	A HIGHLY DEVELOPED COST ACCOUNTING SYSTEM WAS USED IN ORDER TO ATTAIN MORE PRECISE AMOUNTS REPORTED ON FORM 990, SCHEDULE H, PART III, SECTION B, LINES 5 AND 6 RATHER THAN AMOUNTS FROM LANCASTER GENERAL HOSPITAL'S MEDICARE COST REPORT FOR FISCAL YEAR 2013. THE $77,758,276 REPORTED AS A SHORTFALL ON LINE 7 SHOULD BE TREATED AS COMMUNITY BENEFIT AS IT REPRESENTS COSTS NOT RECOVERED AS A RESULT OF SERVING THE MEDICARE POPULATION. IF LANCASTER GENERAL HOSPITAL WOULD NOT SERVE THIS POPULATION, THE SHORTFALL WOULD BE ALLOCATED WITHIN THE COMMUNITY IN AREAS DEEMED A PRIORITY BY THE MISSION & COMMUNITY BENEFIT COMMITTEE. THE TOTAL REVENUE REPORTED ON THE MEDICARE COST REPORT WAS $163,226,046 AND INCLUDES BAD DEBT, INDIRECT MEDICAL EDUCATION (IME) PAYMENTS, COINSURANCES, AND DEDUCTIBLES. DIRECT GRADUATE MEDICAL EDUCATION (GME) REVENUE OF $1,262,060 IS REPORTED ON SCHEDULE H, PART I, LINE 7F, HEALTH PROFESSIONS EDUCATION AND THEREFORE IS EXCLUDED FROM THIS AMOUNT. THE TOTAL EXPENSE REPORTED ON THE MEDICARE COST REPORT WAS $123,383,006. PHYSICIAN, CRNA, AND LABORATORY SERVICES REVENUE AND EXPENSE RELATED TO THESE SERVICES ARE REMOVED FROM THE MEDICARE COST REPORT. PHYSICIAN, CRNA, AND LABORATORY SERVICES REVENUE AND EXPENSE ARE INCLUDED IN THE AMOUNT REPORTED ON SCHEDULE H, PART III, SECTION B, LINE 7 DERIVED FROM THE COST ACCOUNTING SYSTEM.
SCHEDULE H, PART III, LINE 9B	COLLECTION PRACTICES	LANCASTER GENERAL HOSPITAL'S CURRENT COLLECTION POLICY DOES NOT CONTAIN PROVISIONS ON THE COLLECTION PRACTICES TO FOLLOW FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE.
SCHEDULE H, PART V SECTION B, LINE 3	COMMUNITY SERVED BY NEEDS ASSESSMENT	**(a)** Facility: (1) Facility Reporting Group A **(b)** Explanation: THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS CONDUCTED IN PARTNERSHIP WITH THE LANCASTER HEALTH IMPROVEMENT PARTNERSHIP (LHIP) AND ITS PARTNER ORGANIZATIONS. EXPERTS IN VARIOUS ASPECTS OF PUBLIC HEALTH PROVIDED COMMENTS AND RECOMMENDATIONS BASED ON COUNTY DATA AND THE CLIENTS THEY REPRESENT. INPUT FROM THE EXPERTS WAS GATHERED THROUGH MEETINGS THAT INCLUDED INTERVIEWS AND FOCUS GROUPS. THE INDIVIDUALS CONSULTED WITH ARE REPRESENTATIVES OF VARIOUS AREAS OF PUBLIC HEALTH AND COMMUNITY GROUPS AND THE TYPES OF ORGANIZATIONS IN WHICH THEY ARE MEMBERS OF ARE AS FOLLOWS: MENTAL HEALTH, COUNTY GOVERNMENT, LOCAL HOSPITALS, THE STATE HEALTH DEPARTMENT, NURSING HOMES, PUBLIC HEALTH, FACILITY FOR THE HOMELESS, PREGNANCY SERVICES, FAITH BASED-LOW INCOME, HIV PREVENTION, DRUG & ALCOHOL PREVENTION, PHILANTHROPIC SERVICES, DATA ANALYSTS, LOCAL SCHOOL AND COLLEGE, CANCER PREVENTION, LOW INCOME POPULATION, FAITH BASED AND CHILDREN, IMMUNIZATION COALITION, LATINO COMMUNITY, LOCAL CHAMBER OF COMMERCE, CITY GOVERNMENT, AFRICAN-AMERICAN COMMUNITY, AND SOCIAL SERVICES.
SCHEDULE H, PART V SECTION B, LINE 4	OTHER HOSPITAL FACILITIES INCLUDED IN NEEDS ASSESSMENT	**(a)** Facility: (1) Facility Reporting Group A **(b)** Explanation: LANCASTER REHABILITATION HOSPITAL LLC
SCHEDULE H, PART V, SECTION B, LINE 5A	COMMUNITY HEALTH NEEDS ASSESSMENT	THE COMMUNITY HEALTH NEEDS ASSESSMENT CAN BE FOUND IN THE "ABOUT US" SECTION ON THE FACILITY'S WEBSITE WWW.LGHEALTH.ORG .
SCHEDULE H, PART V SECTION B, LINE 14G	OTHER WAYS HOSPITAL PUBLICIZED FINANCIAL ASSISTANCE POLICY	**(a)** Facility: (1) Facility Reporting Group A **(b)** Explanation: THE FACILITY DOES NOT ATTACH THE FINANCIAL ASSISTANCE POLICY TO BILLING INVOICES. HOWEVER, THE INVOICES NOTE THAT FINANCIAL ASSISTANCE IS AVAILABLE AND TO CONTACT THE FACILITY FOR ASSISTANCE.
SCHEDULE H, PART V SECTION B, LINE 20D	MEANS USED TO DETERMINE AMOUNTS BILLED	**(a)** Facility: (1) Facility Reporting Group A **(b)** Explanation: THE FACILITY USED A BILLING RATE BETWEEN THE AVERAGE NEGOTIATED COMMERCIAL INSURANCE RATE AND THE MEDICARE RATE.
SCHEDULE H, PART VI	ADDITIONAL EXPLANATION	LANCASTER GENERAL HOSPITAL PROVIDED FINANCIAL SUPPORT TO THE CITY OF LANCASTER (EIN 23-6001904) IN THE AMOUNT OF $1,380,000. THESE FUNDS PROVIDED ASSISTANCE TO THE CITY FOR SPECIAL EVENTS AND ITS POLICE, FIRE, AND PUBLIC WORKS SERVICES.
SCHEDULE H, PART VI, LINE 2	NEEDS ASSESSMENT.	AT LANCASTER GENERAL HOSPITAL, WE ARE WORKING TO IMPROVE THE HEALTH AND WELL-BEING OF OUR COMMUNITIES WE SERVE BY IDENTIFYING AND ADDRESSING COMMUNITY HEALTH PRIORITIES. THE MISSION & COMMUNITY BENEFIT COMMITTEE OF THE BOARD OF TRUSTEES PROVIDES OVERSIGHT FOR ALL OF OUR COMMUNITY BENEFIT ACTIVITIES, ESTABLISHES OUR LOCAL HEALTH PRIORITIES, AND MONITORS THE HEALTH STATUS OF THE COMMUNITIES WE SERVE. SINCE WE CANNOT ADDRESS ALL OF OUR COMMUNITY'S NEEDS ALONE, WE AND OTHER MEMBERS OF THE LANCASTER HEALTH IMPROVEMENT PARTNERSHIP (LHIP) REGULARLY ANALYZE FEDERAL, STATE, AND LOCAL DATA TO IDENTIFY OUR COMMUNITY'S MOST PRESSING HEALTH CONCERNS. LANCASTER GENERAL HOSPITAL CONTRACTS WITH HEALTHY COMMUNITIES INSTITUTE (HCI) TO PROVIDE DEMOGRAPHIC AND SECONDARY DATA ON HEALTH, HEALTH DETERMINANTS, AND QUALITY OF LIFE TOPICS FOR

Return Reference	Identifier	Explanation
		OUR COMMUNITY THAT IS PRIMARILY DERIVED FROM STATE AND NATIONAL PUBLIC HEALTH SOURCES. FROM THIS DATA, WE SELECT THOSE ISSUES THAT AFFECT THE MOST PEOPLE, AND DOES, OR WILL, COST SOCIETY THE MOST IN EITHER DOLLARS OR QUALITY OF LIFE. AS WE BUILD ACTION PLANS FOR EACH OF OUR PRIORITY AREAS, WE CONSIDER PROGRAMS AND ACTIVITIES THAT INFLUENCE THE INDIVIDUAL, FAMILY, COMMUNITY AND WORKPLACE, AS WELL AS SUPPORT POLICIES THAT INFLUENCE POSITIVE HEALTH OUTCOMES. WE STRIVE TO INFLUENCE HEALTH WHERE PEOPLE LIVE, WORK, PLAY, AND LEARN. LANCASTER GENERAL HOSPITAL WORKS TO CREATE COMMUNITY BENEFIT ACTIVITIES THAT EXCEED INDUSTRY STANDARDS, WHETHER WE ARE BEING A ROLE MODEL FOR ENVIRONMENTALLY-FRIENDLY POLICIES OR ADVOCATING FOR HEALTH LEGISLATION THAT BENEFITS ALL RESIDENTS. WE DO THIS NOT ONLY BECAUSE IT'S OUR MISSION, BUT ALSO BECAUSE IT'S THE RIGHT THING TO DO.
SCHEDULE H, PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE.	NOTICES OF AVAILABILITY OF CHARITY CARE AND FINANCIAL ASSISTANCE ARE POSTED AT PATIENT REGISTRATION POINTS THROUGHOUT THE ORGANIZATION AND PRESENTED TO CUSTOMERS UPON REQUEST AS WELL AS LISTED ON THEIR BILL. SUMMARY INFORMATION IS ALSO AVAILABLE ON THE LANCASTER GENERAL HEALTH WEBSITE. A FINANCIAL COUNSELOR WILL ATTEMPT TO VISIT ALL INPATIENTS WHO PRESENT AS UNINSURED TO DISCUSS ELIGIBILITY FOR ALL GOVERNMENTAL PROGRAMS AND FINANCIAL ASSISTANCE PROGRAMS.
SCHEDULE H, PART VI, LINE 4	COMMUNITY INFORMATION.	LANCASTER GENERAL HOSPITAL'S PRIMARY AND SECONDARY SERVICE AREAS COMPRISE ALL OF LANCASTER COUNTY, PENNSYLVANIA. LGH ALSO SERVES PATIENTS IN BERKS, CHESTER, DAUPHIN, LEBANON, AND YORK COUNTIES. LOCATED IN SOUTH CENTRAL PENNSYLVANIA, LANCASTER COUNTY IS 950 SQUARE MILES IN SIZE AND IS HOME TO 531,198 PEOPLE. ABOUT 16% OF THE POPULATION IS OVER THE AGE OF 64; 51.1% OF THE POPULATION IS FEMALE. THE MEDIAN INCOME IS $54,029, AND 10.3% OF THE POPULATION LIVES BELOW THE FEDERAL POVERTY LEVEL. LANCASTER GENERAL HOSPITAL'S MARKET SHARE IN LANCASTER COUNTY IS APPROXIMATELY 56.2%.
SCHEDULE H, PART VI, LINE 5	PROMOTION OF COMMUNITY HEALTH	LANCASTER GENERAL HOSPITAL IS GOVERNED BY A 15-MEMBER BOARD OF TRUSTEES, INCLUDING 12 COMMUNITY MEMBERS AND THREE PHYSICIANS WHO ALL RESIDE IN OUR PRIMARY OR SECONDARY SERVICE AREAS. THEY VOLUNTEER THEIR PROFESSIONAL TIME AND EXPERTISE TO GUIDE THE HOSPITAL. ALL TRUSTEES ANNUALLY COMPLETE A CONFLICT OF INTEREST STATEMENT TO ENSURE THEIR OBJECTIVITY. THE BOARD OF TRUSTEES OPERATES SEVEN COMMITTEES COMPRISED OF AN ADDITIONAL 30+ COMMUNITY MEMBERS. THE COMMITTEES INCLUDE: QUALITY, MISSION & COMMUNITY BENEFIT, PROFESSIONAL AFFAIRS, FINANCE/CAPITAL ALLOCATIONS, AUDIT & COMPLIANCE, EXECUTIVE, AND INVESTMENT SUBCOMMITTEE. THE HOSPITAL APPLIES ITS ANNUAL SURPLUS TOWARD IMPROVING PATIENT CARE, MEDICAL EDUCATION AND RESEARCH. IN FISCAL YEAR 2013, THE HOSPITAL COMMITTED $74.4 MILLION TO SPENDING FOR PROPERTY, PLANT AND EQUIPMENT. THE PURCHASES HAVE INCLUDED BUILDING RENOVATIONS AND EXPANSIONS, NEW FACILITIES, AND NEW AND REPLACEMENT HEALTHCARE TECHNOLOGY. THE HOSPITAL'S SURPLUS HELPS FUND, AND SERVES AS A CLINICAL EDUCATION SITE FOR, THE LANCASTER GENERAL COLLEGE OF NURSING AND HEALTH SCIENCES AND THE LANCASTER GENERAL FAMILY MEDICINE RESIDENCY PROGRAM. ENROLLMENT IS MORE THAN 1,400 STUDENTS. THE HOSPITAL OPERATES THE LANCASTER GENERAL RESEARCH INSTITUTE, WHICH PROVIDES RESEARCH SUPPORT TO LGH PHYSICIANS AND STAFF, FOCUSING ON TREATMENT, DIAGNOSTIC AND PROCEDURAL EFFICACY IN THE GENERAL HOSPITAL AND AFFILIATED SPECIALTY AREAS. THE INSTITUTE ALSO WORKS IN CONJUNCTION WITH THE FAMILY MEDICINE RESIDENCY PROGRAM TO PROVIDE RESEARCH OPPORTUNITIES FOR THE ADVANCEMENT OF MEDICAL EDUCATION. THE HOSPITAL ALSO OPERATES RESIDENCY PROGRAMS IN FAMILY MEDICINE AND PHARMACY PRACTICE, AS WELL AS FELLOWSHIP PROGRAMS IN GERIATRIC MEDICINE AND PALLIATIVE CARE.
SCHEDULE H, PART VI, LINE 6	AFFILIATED HEALTH CARE SYSTEM	LANCASTER GENERAL HOSPITAL IS UNDER THE CONTROL OF ITS PARENT ORGANIZATION LANCASTER GENERAL HEALTH. LANCASTER GENERAL HEALTH (EIN# 23-2250941) IS A NOT-FOR-PROFIT ORGANIZATION, WHICH PROVIDES MANAGERIAL AND FINANCIAL SUPPORT TO ITS CONTROLLED ORGANIZATION AND IS ALSO RESPONSIBLE FOR UNDERTAKING ACTIVITIES TO IMPROVE THE HEALTH OF THE COMMUNITY. THE MULTIPLE AFFILIATES UNDER THE CONTROL OF LANCASTER GENERAL HEALTH IN ADDITION TO LANCASTER GENERAL HOSPITAL ARE: LANCASTER GENERAL HEALTH-COLUMBIA CENTER (EIN# 23-0485650) WHICH IS A HEALTH CARE CLINIC THAT PROVIDES PRIMARY AND SPECIALTY MEDICAL SERVICES WHERE SERVICES ARE PROVIDED BY LICENSED PHYSICIANS AND OFFICE SPACE IS LEASED TO HEALTH CARE PROVIDERS AND OTHERS. IN ADDITION, LANCASTER GENERAL HEALTH-COLUMBIA CENTER OFFERS PREVENTIVE, DIAGNOSTIC, AND THERAPEUTIC MEDICAL SERVICES TO PATIENTS ON AN OUTPATIENT BASIS. LANCASTER GENERAL HEALTH FOUNDATION (EIN# 20-5767147) EXISTS TO ADVANCE THE CULTURE OF PHILANTHROPY WITHIN THE LANCASTER GENERAL HEALTH SYSTEM. PENNSYLVANIA COLLEGE OF HEALTH SCIENCES (EIN# 06-1645496) EDUCATES COMPETENT, CARING AND SOCIALLY RESPONSIBLE INDIVIDUALS WHO CONTRIBUTE TO THE HEALTH OF THE COMMUNITY. LANCASTER GENERAL IMAGING CORPORATION'S (EIN# 23-3102789) EXEMPT PURPOSES ARE CONDUCTED THROUGH ITS CONTROL OF TWO PARTNERSHIPS, MRI GROUP, LLP (EIN# 33-1011386) WHICH PROVIDES MEDICAL SERVICES RELATING TO MAGNETIC RESONANCE IMAGING AND COMPUTER TOMOGRAPHY AND LANCASTER PET PARTNERSHIP, LLP (EIN# 23-3102793) WHICH PROVIDES MEDICAL SERVICES RELATING TO POSITRON EMISSION TOMOGRAPHY. LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC.'S (EIN# 20-4943239) EXEMPT PURPOSES ARE TO PROVIDE SURGICAL SERVICES TO PATIENTS. LANCASTER GENERAL MEDICAL GROUP (EIN# 23-2777286) WAS ORGANIZED TO DEVELOP, OWN, AND OPERATE OUTPATIENT HEALTHCARE PRACTICES WHERE PRIMARY AND SPECIALTY MEDICAL SERVICES ARE PROVIDED BY LICENSED PHYSICIANS. LANCASTER GENERAL REHABILITATION SERVICES INC.'S (EIN# 20-4943109) EXEMPT PURPOSE IS CONDUCTED THROUGH THE INVESTMENT IN AN ACUTE PATIENT REHABILITATION HOSPITAL WHERE PATIENTS ARE TREATED REGARDLESS OF ABILITY TO PAY. THE HEART GROUP OF LANCASTER GENERAL HEALTH (EIN# 30-0634510) PROVIDES SPECIALTY CARDIOLOGY HEALTHCARE SERVICES. LANCASTER GENERAL HEALTH INNOVATIVE SOLUTIONS, INC. (EIN# 46-

Return Reference	Identifier	Explanation
		05898543) CONCEIVES AND LAUNCHES NOVEL HEALTHCARE SERVICES AND PRODUCTS. LG HEALTH COMMUNITY CARE COLLABORATIVE, LLC (EIN# 45-5542179) IS AN ACCOUNTABLE CARE ORGANIZATION. OTHER AFFILIATES OF LANCASTER GENERAL HEALTH INCLUDE LANCASTER GENERAL INSURANCE COMPANY, LTD. AND LANCASTER GENERAL BUSINESS TRUST AND ITS SUBSIDIARIES.
SCHEDULE H, PART VI, LINE 7	STATE FILING OF COMMUNITY BENEFIT REPORT	LANCASTER GENERAL HOSPITAL ISSUES AN ANNUAL REPORT WHICH INCLUDES INFORMATION ABOUT COMMUNITY BENEFIT AND HEALTH EFFORTS. THIS REPORT IS NOT FILED WITH THE STATE OF PENNSYLVANIA.

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.**

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LANCASTER GENERAL HOSPITAL

Employer identification number

23-1365353

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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) AMERICAN HEART ASSOCIATION 610 COMMUNITY WAY, LANCASTER, PA 17603	13-5613797	501(C)(3)	29,100		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(2) CITY OF LANCASTER 39 WEST CHESTNUT STREET, LANCASTER, PA 17608	23-6001904	GOVERNMENT ENTITY	1,380,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(3) COLUMBIA BORO SCHOOL DISTRICT 200 NORTH FIFTH STREET, COLUMBIA, PA 17512	23-6004263	501(C)(3)	0	37,140	FMV	PURCHASED OUTDOOR EXERCISE EQUIPMENT INSTA	CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(4) COLUMBIA QUICK RESPONSE SERVICE, INC. P.O. BOX 30, COLUMBIA, PA 17512	20-3280577	501(C)(3)	6,500		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(5) COMMUNITY LIFE NETWORK 510 WALNUT STREET, COLUMBIA, PA 17512	20-2161018	501(C)(3)	8,400		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(6) DOMESTIC VIOLENCE SERVICES P.O. BOX 359, LANCASTER, PA 17608	23-1667311	501(C)(3)	250	7,000	FMV	RENT FOR CLASSROOM USE	CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(7) EDWARD HAND MEDICAL HERITAGE FOUNDATION PO BOX 10302, LANCASTER, PA 17603	20-8119480	501(C)(3)	13,500		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(8) JAMES STREET IMPROVEMENT DISTRICT 206 WEST JAMES STREET, LANCASTER, PA 17603	71-0927742	501(C)(3)	160,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(9) LANCASTER CHAMBER OF COMMERCE 100 SOUTH QUEEN STREET, LANCASTER, PA 17608	23-2095463	501(C)(6)	5,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(10) LANCASTER COMMUNITY SAFETY COALITION 262 CONESTOGA STREET, LANCASTER, PA 17608	20-0123222	501(C)(3)	5,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(11) LANCASTER COUNTY MEDICAL FOUNDATION 137 E. WALNUT ST., LANCASTER, PA 17602	26-0499498	501(C)(3)	75,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(12) MILLERSVILLE UNIVERSITY P.O. BOX 1002, MILLERSVILLE, PA 17551	23-2397926	501(C)(3)	5,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 18

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

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	CASH		16,000			
2						
3						
4						
5						
6						
7						

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

SEE NEXT PAGE

Part IV **Supplemental Information** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Return Reference	Identifier	Explanation
SCHEDULE I, PART I, LINE 2	PROCEDURES FOR MONITORING USE OF GRANT FUNDS	CONTRIBUTIONS MADE BY LANCASTER GENERAL HOSPITAL MUST MEET THE FOLLOWING CRITERIA SET FORTH BY THE MISSION & COMMUNITY BENEFIT COMMITTEE: 1) GAPS IN HEALTH CARE SERVICES WILL BE REDUCED, 2) RESOURCES WILL BE DIRECTED TO DESIGNATED PRIMARY AND SECONDARY HEALTH PRIORITIES, HEALTH PROMOTION, AND PREVENTION INITIATIVES, 3) INITIATIVES WILL DRIVE COST-EFFECTIVE, COMMUNITY CARE/INTERVENTIONS THAT PROMOTE HEALTH AND WELL-BEING OF OUR COMMUNITY, 4) INITIATIVES WILL BE RESPONSIVE TO THE NEEDS OF SPECIAL/DISPARATE POPULATIONS, 5) ENDOWMENT OR CAPITAL CAMPAIGN REQUESTS WILL NOT BE FINANCIALLY SUPPORTED, 6) ONLY TAX EXEMPT ORGANIZATIONS AND GOVERNMENTAL INITIATIVES AT THE LOCAL LEVEL THAT RELATE TO LANCASTER GENERAL HOSPITAL'S MISSION WILL BE SUPPORTED, AND 7) ONGOING DEFICIT FUNDING WILL NOT BE PROVIDED UNLESS FUNDAMENTAL TO A LANCASTER GENERAL HOSPITAL HEALTH PRIORITY AND/OR THE CARE OF THE MEDICALLY UNDERSERVED. SCHOLARSHIPS AND LOANS ARE AWARDED TO STUDENTS AT THE LANCASTER GENERAL COLLEGE OF NURSING AND HEALTH SCIENCES ON A NON-DISCRIMINATORY BASIS. THE SCHOLARSHIPS AND LOANS ARE BASED ON FINANCIAL NEED, ACADEMIC PROGRESS, AND CLINICAL PERFORMANCE.

Part II **Grants and Other Assistance to Governments and Organizations in the United States** (continued)

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
(13) ROHRERSTOWN FIRE COMPANY 500 ELIZABETH STREET, LANCASTER, PA 17603	23-7197558	501(C)(3)	15,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(14) SAN JUAN BAUTISTA 425 S. DUKE STREET, LANCASTER, PA 17602	23-1983654	501(C)(3)	5,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(15) SCHOOL DISTRICT OF LANCASTER 1020 LEHIGH AVENUE, LANCASTER, PA 17602	23-1726414	501(C)(3)	1,500,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(16) UNITED AUXILIARIES TO THE LANCASTER GENERAL HOSPITAL PO BOX 3555, LANCASTER, PA 17604	23-1976868	501(C)(3)	15,260		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(17) UNITED STATES GOLF ASSOCIATION 77 LIBERTY CORNER ROAD PO BOX 708, FAR HILLS, NJ 07931	13-1427105	501(C)(3)	8,333		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(18) UNITED WAY OF LANCASTER COUNTY 630 JANET AVENUE, LANCASTER, PA 17601	23-1352093	501(C)(3)	97,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.
(19) WITF, INC. 4801 LINDLE ROAD, HARRISBURG, PA 17111	23-1629016	501(C)(3)	60,000		FMV		CONTRIBUTION TO SUPPORT PROGRAM SERVICE.

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.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: LANCASTER GENERAL HOSPITAL

Employer identification number: 23-1365353

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate 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 ☑ Travel for companions ☑ Tax indemnification and gross-up payments ☐ Discretionary spending account ☑ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)			
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		✔
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	✔	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☑ Compensation committee ☑ Independent compensation consultant ☐ Form 990 of other organizations ☑ Written employment contract ☑ Compensation survey or study ☑ 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	✔	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	✔	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		✔
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations 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		✔
b	Any related organization?	5b		✔
	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		✔
b	Any related organization?	6b		✔
	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	✔	
8	Were any amounts reported in Form 990, Part VII, paid or accrued 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		✔
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

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

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

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	DENISE A KENNEDY, VP, FINANCIAL SERVICES	(i)	163,886	20,749	903	7,422	7,421	200,381	0
		(ii)	0	0	0	0	0	0	0
2	DENNIS R ROEMER, EVP & CFO	(i)	294,236	80,000	26,804	1,385	20,694	423,118	0
		(ii)	0	0	0	0	0	0	0
3	DOUGLAS W RINEHART, VP, CONTROLLER	(i)	168,138	23,457	3,003	7,784	17,205	219,587	0
		(ii)	0	0	0	0	0	0	0
4	ELIZABETH D HILLS, VP, RISK MANAGEMENT & CORPORATE COMPLIANCE	(i)	146,343	24,370	499	6,405	7,238	184,856	0
		(ii)	0	0	0	0	0	0	0
5	F. JOSEPH BYORICK, III, CFO EMERITUS & TREASURER	(i)	430,171	143,198	34,923	10,200	17,674	636,166	0
		(ii)	0	0	0	0	0	0	0
6	GARY DAVIDSON, SVP AND CIO	(i)	332,003	126,178	14,521	46,267	17,952	536,920	0
		(ii)	0	0	0	0	0	0	0
7	GEOFFREY W EDDOWES, SVP WBH AND POST ACUTE CARE	(i)	256,572	54,929	2,376	41,279	17,776	372,932	0
		(ii)	0	0	0	0	0	0	0
8	JAN L BERGEN, EVP, LANCASTER GENERAL HEALTH AND PRESIDENT, LANCASTER GENERAL HEALTH NETWORK	(i)	478,028	169,705	16,920	163,367	8,442	836,462	0
		(ii)	0	0	0	0	0	0	0
9	JOHN LEE, ASSOC MEDICAL DIRECTOR TRAUMA	(i)	434,002	38,578	34,407	9,413	17,620	534,020	0
		(ii)	0	0	0	0	0	0	0
10	JOHN YELCICK, MEDICAL DIRECTOR LABORATORIES	(i)	382,096	29,543	1,296	9,413	8,092	430,439	0
		(ii)	0	0	0	0	0	0	0
11	JOSEPH A PUSKAR, SVP, CUSTOMER SUPPORT SERVICES	(i)	253,212	32,992	7,758	10,200	17,854	322,016	0
		(ii)	0	0	0	0	0	0	0
12	JUDI L BRENDLE, VP, NURSING	(i)	221,867	26,675	9,750	10,200	17,531	286,023	0
		(ii)	0	0	0	0	0	0	0
13	KAY BRADY, VP, HUMAN RESOURCES	(i)	144,323	21,620	2,284	6,729	14,609	189,565	0
		(ii)	0	0	0	0	0	0	0
14	KEITH A ORRIS, SVP, COMMUNITY AND GOVERNMENT AFFAIRS	(i)	191,991	61,248	20,595	16,853	10,555	301,241	0
		(ii)	0	0	0	0	0	0	0
15	KEVIN LORAH, MEDICAL DIRECTOR	(i)	359,871	26,102	1,893	10,200	17,573	415,640	0
		(ii)	0	0	0	0	0	0	0
16	LEE M DUKE II, MD, SVP AND CHIEF PHYSICIAN EXECUTIVE	(i)	431,542	142,412	19,005	113,460	17,518	723,937	0
		(ii)	0	0	0	0	0	0	0

Part III **Supplemental Information** Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Return Reference	Identifier	Explanation
SCHEDULE J, PART I, LINE 1A	TRAVEL FOR COMPANIONS	THE AMOUNT PROVIDED FOR TRAVEL FOR COMPANIONS WAS LESS THAN $250. THESE PAYMENTS WERE CONSIDERED TAXABLE.
SCHEDULE J, PART I, LINE 1A	TAX INDEMNIFICATION AND GROSS-UP PAYMENTS	LANCASTER GENERAL HOSPITAL PROVIDED GROSS-UP PAYMENTS TO EMPLOYEES. LANCASTER GENERAL HOSPITAL PROVIDES GROSS-UP PAYMENTS TO EMPLOYEES WHEN THEY RECEIVE HOLIDAY GIFT CARDS SO AS TO PROVIDE TAX ASSISTANCE IN THAT NO TAX BURDENS ARE CREATED WITH THE INTENDED GIFT. HOLIDAY GIFT CARDS IN THE AMOUNT OF $15 PER EMPLOYEE WERE GIVEN DURING THE 2012 TAX YEAR.
SCHEDULE J, PART I, LINE 1A	HOUSING ALLOWANCE OR RESIDENCE FOR PERSONAL USE	HOUSING ALLOWANCE WAS PROVIDED TO ONE INDIVIDUAL. THESE PAYMENTS WERE CONSIDERED TAXABLE.
SCHEDULE J, PART I, LINE 1B	WRITTEN POLICY REGARDING PAYMENT OR REIMBURSEMENT OF EXPENSES	THERE ARE CURRENTLY NO WRITTEN POLICIES IN PLACE FOR GROSS UP PAYMENTS, TRAVEL FOR COMPANIONS OR HOUSING ALLOWANCE.
SCHEDULE J, PART I, LINE 3	COMPENSATION	THE COMPENSATION PROCESS DESCRIBED BELOW PERTAINS TO THE CEO, EVPS, SVPS, AND VPS. LANCASTER GENERAL HOSPITAL UTILIZES AN INDEPENDENT THIRD PARTY TO PROVIDE BASE SALARY AND TOTAL COMPENSATION MARKET DATA FOR COMPARABLE POSITIONS AT SIMILARLY SIZED ORGANIZATIONS. LANCASTER GENERAL HOSPITAL PRESENTS THE PERFORMANCE OF THE ABOVE MENTIONED POSITIONS AGAINST ESTABLISHED GOALS AND EVALUATES AND PRESENTS THEM TO THE MANAGEMENT AND DEVELOPMENT COMPENSATION COMMITTEE (MDCC). THE MDCC IS A COMMITTEE COMPRISED OF INDEPENDENT BOARD OF TRUSTEE MEMBERS. THE MARKET DATA AND PERFORMANCES AGAINST GOALS IS REVIEWED BY THE MDCC WHO THEN TAKES ACTION. MINUTES ARE KEPT OF THE DISCUSSION AND ACTIONS TAKEN BY THE MDCC MEMBERS AT THEIR MEETING. THIS DOCUMENTATION IS KEPT FOR FUTURE REFERENCE. THIS PROCESS IS UNDERTAKEN EACH AUGUST AFTER THE CLOSE OF THE PREVIOUS FISCAL YEAR IN JUNE. PLEASE REFER TO FORM 990, PART VI, QUESTION 15 STATING THAT ALL BUT ONE OF THE MEMBERS OF THE COMMITTEE IS CONSIDERED INDEPENDENT.
SCHEDULE J, PART I, LINE 4A	SEVERANCE OR CHANGE-OF-CONTROL PAYMENT	ONE INDIVIDUAL RECEIVED A SEVERANCE PAYMENT OF $31,145.
SCHEDULE J, PART I, LINE 4B	SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	TOTAL DISTRIBUTIONS AND/OR CONTRIBUTIONS TO A NON-QUALIFIED SUPPLEMENTAL RETIREMENT PLAN AMOUNTED TO $738,000.
SCHEDULE J, PART I, LINE 7	NON-FIXED PAYMENTS	THE PURPOSE OF THE LANCASTER GENERAL HEALTH (LG) ANNUAL INCENTIVE PLAN (THE PLAN) IS TO REINFORCE STRATEGIC PERFORMANCE PRIORITIES FOR SENIOR MANAGEMENT AND MANAGEMENT EMPLOYEES AND TO ENCOURAGE THE HIGHEST LEVEL OF PERFORMANCE IN THE DELIVERY OF HEALTH CARE SERVICES. AS A REWARD FOR EMPLOYEES' CONTRIBUTIONS TO LANCASTER GENERAL HEALTH'S SUCCESS, THE PLAN PROVIDES THE OPPORTUNITY TO EARN MEANINGFUL INCENTIVE COMPENSATION BASED ON THE PERFORMANCE OF LANCASTER GENERAL HEALTH AND THE INDIVIDUAL PARTICIPANTS. SPECIFICALLY, THE PLAN IS DESIGNED TO: *FOCUS PARTICIPANTS ON THE ACHIEVEMENT OF ORGANIZATION GOALS RELATED TO PEOPLE, SERVICE, QUALITY/SAFETY, FINANCIAL AND GROWTH; *PROMOTE AND FOSTER A TEAM ORIENTED CULTURE; *STRENGTHEN LANCASTER GENERAL HEALTH'S ABILITY TO ATTRACT AND RETAIN SUPERIOR TALENT, RECOGNIZE AND REWARD ACCOMPLISHMENTS THAT CLEARLY ADVANCE THE ORGANIZATION'S MISSION, AND DRIVE STRATEGIES; *PROVIDE INCENTIVE AWARDS THAT CAN BE ADJUSTED ANNUALLY FOR DIFFERENT BUSINESS CONDITIONS AND BUSINESS PLAN PRIORITIES WITHOUT CHANGING BASIC DESIGN FEATURES OF THE PLAN; AND *PROVIDE ANNUAL INCENTIVE OPPORTUNITIES WITH DUE CONSIDERATION TO THE REQUIREMENTS OF THE INTERMEDIATE SANCTIONS LAW AND THE REGULATIONS THERE UNDER.

Part II Officers, Directors, Trustees, Key Employees and Highest Compensated Employees (continued)

(a) Name and Title		(b) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(c) Retirement and other deferred compensation	(d) Nontaxable benefits	(e) Total of columns (b)(i)-(d)	(f) Compensation reported in prior Form 990 or Form 990-EZ
(17) LISA R HESS, VP, MARKETING AND RELATIONSHIP MANAGEMENT	(i)	153,894	21,359	1,285	6,582	17,663	200,783	0
	(ii)	0	0	0	0	0	0	0
(18) MARGARET F COSTELLA, ESQ, VP, LEGAL SERVICES AND ASSISTANT SECRETARY	(i)	210,092	29,930	1,895	9,677	1,905	253,499	0
	(ii)	0	0	0	0	0	0	0
(19) MARION A MCGOWAN, RN, PRESIDENT OF LANCASTER GENERAL HOSPITAL AND PRESIDENT OF LG HEALTH INNOVATION, INC.	(i)	501,670	177,606	15,228	10,200	17,796	722,500	0
	(ii)	0	0	0	0	0	0	0
(20) MARY B MISKEY, VP, HUMAN RESOURCES OPERATIONS	(i)	159,954	23,961	3,880	7,512	7,646	202,953	0
	(ii)	0	0	0	0	0	0	0
(21) NORMA J FERDINAND, SVP, CHIEF QUALITY OFFICER	(i)	282,358	90,540	391,394	77,925	9,170	851,387	0
	(ii)	0	0	0	0	0	0	0
(22) PHILIP BAYLISS, MEDICAL DIRECTOR	(i)	505,794	18,333	23,986	10,200	15,357	573,670	0
	(ii)	0	0	0	0	0	0	0
(23) REGINA M MINGLE, SVP AND CHIEF LEADERSHIP OFFICER	(i)	306,660	103,020	16,722	79,410	15,413	521,224	0
	(ii)	0	0	0	0	0	0	0
(24) RICHARD D PAOLETTI, VP, OPERATIONS	(i)	201,306	36,894	1,232	9,577	17,416	266,426	0
	(ii)	0	0	0	0	0	0	0
(25) ROBERT P MACINA, ESQ, SVP, CHIEF ADMINISTRATIVE/LEGAL OFFICER AND CORPORATE SECRETARY	(i)	330,092	112,405	23,388	89,000	15,569	570,454	0
	(ii)	0	0	0	0	0	0	0
(26) STACEY G YOUCIS, VP, OPERATIONS-MUSCULOSKELETAL AND PERIOPERATIVE SERVICES	(i)	195,843	40,000	8,286	9,765	17,191	271,086	0
	(ii)	0	0	0	0	0	0	0
(27) SUSAN WYNNE, SVP, BUSINESS DEVELOPMENT-AMBULATORY SERVICES	(i)	261,575	58,308	10,622	39,863	18,291	388,659	0
	(ii)	0	0	0	0	0	0	0
(28) THOMAS E BEEMAN, PHD, PRESIDENT AND CEO, LANCASTER GENERAL HEALTH	(i)	740,998	341,264	19,920	171,551	15,725	1,289,458	0
	(ii)	0	0	0	0	0	0	0
(29) TIMOTHY BOLEY, PERINATOLOGIST	(i)	465,226	0	56,956	10,200	17,702	550,084	0
	(ii)	0	0	0	0	0	0	0
(30) TIMOTHY C ZELLERS, VP, CARDIOVASCULAR SERVICES LINES & PULMONARY SERVICE	(i)	173,747	20,082	9,902	8,149	17,366	229,246	0
	(ii)	0	0	0	0	0	0	0

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.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LANCASTER GENERAL HOSPITAL

Employer identification number
23-1365353

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) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	XXXXXXXXX	7/1/2005	15,945,000	PURCHASE OF EQUIPMENT		✔		✔		✔
B	LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	514045YB3	1/24/2007	33,450,000	CONSTRUCTION OF EMPLOYEE PARKING GARAGE		✔		✔		✔
C	LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	514045YK3	1/24/2007	63,375,000	REFUNDING OF SERIES 2003 BOND (ISSUE DATE OF 9/15/2003)		✔		✔		✔
D	LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	XXXXXXXXX	6/1/2012	25,250,000	REFUNDING A PORTION OF SERIES 2008 BOND (ISSUE DATE OF 8/15/2008)		✔		✔		✔

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	0	0	0
2	Amount of bonds legally defeased	0	0	0	0
3	Total proceeds of issue	181,624	33,450,000	63,375,000	25,250,000
4	Gross proceeds in reserve funds	0	0	0	0
5	Capitalized interest from proceeds	0	0	0	0
6	Proceeds in refunding escrows	0	0	63,375,000	25,250,000
7	Issuance costs from proceeds	0	201,473	381,715	194,497
8	Credit enhancement from proceeds	0	0	0	0
9	Working capital expenditures from proceeds	0	0	0	0
10	Capital expenditures from proceeds	13,994,144	37,017,542	0	0
11	Other spent proceeds	0	0	0	0
12	Other unspent proceeds	0	0	0	0
13	Year of substantial completion	2007	2008	2007	2012

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

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?		✔		✔		✔		✔
2	Are there any lease arrangements that may result in private business use of bond-financed property?		✔		✔		✔		✔

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?		✔		✔		✔		✔
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		✔		✔		✔		✔
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 ▶		1.5 %		0 %		0 %		0.3 %
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %		0 %		0 %		0 %
6	Total of lines 4 and 5		1.5 %		0 %		0 %		0.3 %
7	Does the bond issue meet the private security or payment test?	✔		✔		✔		✔	
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?		✔		✔		✔		✔
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	✔		✔		✔		✔	
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	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?		✔		✔		✔	✔	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		✔		✔		✔	✔	
b	Name of provider							BOAML	
c	Term of hedge	0		0		0		35	
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)?		✔		✔		✔		✔
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		✔		✔		✔		✔
7	Has the organization established written procedures to monitor the requirements of section 148?	✔		✔		✔		✔	

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?	✔		✔		✔		✔	

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

SEE NEXT PAGE

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.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LANCASTER GENERAL HOSPITAL

Employer identification number
23-1365353

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) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	LANCASTER COUNTY HOSPITAL AUTHORITY	23-6648018	514045B51	6/28/2012	93,755,000	SEE SUPPLEMENTAL INFORMATION		✔		✔		✔
B												
C												
D												

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	93,755,000			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrows	77,349,282			
7	Issuance costs from proceeds	601,500			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	23,163,482			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2014			

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

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?		✔						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		✔						

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?		✔						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		✔						
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 ▶		0.1 %		%		%		%
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %		%		%		%
6	Total of lines 4 and 5		0.1 %		%		%		%
7	Does the bond issue meet the private security or payment test?	✔							
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?		✔						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	✔							
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	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?		✔						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		✔						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV Arbitrage *(Continued)*

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

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?	✔							

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

SEE NEXT PAGE

Part VI **Supplemental Information** Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Identifier	Explanation
SCHEDULE K, PART I	ISSUER NAME: LANCASTER COUNTY HOSPITAL AUTHORITY	REFUNDING A PORTION OF SERIES 2008, 2010, AND 2011 BONDS, AND A PORTION TO BE USED FOR CONSTRUCTION.
SCHEDULE K, PART I	DEFEASED	BOND SERIES 2003 WAS ISSUED ON SEPTEMBER 15, 2003 BY THE LANCASTER COUNTY HOSPITAL AUTHORITY (CUSIP# 514045). IN JANUARY 2007, THE SERIES 2003 WAS LEGALLY DEFEASED WITH THE SERIES 2007B BOND ISSUANCE. CONCURRENT WITH THE DEFEASANCE, AN IRREVOCABLE ESCROW WAS ESTABLISHED FOR THE AGGREGATE AMOUNT OF THE DEFEASED SERIES 2003 REVENUE BONDS. WITH THAT SAID, THERE IS NO LIABILITY ON OUR BALANCE SHEET AND IS THUS NOT SHOWN ON SCHEDULE K, PART I.
SCHEDULE K, PART I, COLUMN (C)	CUSIP #	SERIES 2005 AND 2012-A WERE PRIVATE PLACEMENTS AND THUS ARE NOT ASSIGNED A CUSIP #.
SCHEDULE K, PART II, LINE 10	CAPITAL EXPENDITURES	BOND ISSUE A HAD $1,950,855.85 THAT WAS NOT USED. THIS AMOUNT WAS APPLIED TO THE PRINCIPAL PAYMENT MADE IN AUGUST 2007.

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, line 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.

OMB No. 1545-0047

2012

Open To Public Inspection

Name of the organization: LANCASTER GENERAL HOSPITAL

Employer identification number: 23-1365353

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	(d) Corrected? No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the 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	(d) Loan to or from the organization? From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) In default? No	(h) Approved by board or committee? Yes	(h) Approved by board or committee? No	(i) Written agreement? Yes	(i) Written agreement? No
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
Total	. . . . . ►						$ 0						

Part III Grants or Assistance Benefiting 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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

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)	SEE STATEMENT					
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V **Supplemental Information**
Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

Part IV **Business Transactions Involving Interested Persons** (continued)

(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) BRUCE R. LIMPERT	TRUSTEE	1,074,284	INDIVIDUAL IS A BOARD MEMBER OF MURRAY SECURUS INSURANCE. MURRAY PROVIDES SERVICES TO LANCASTER GENERAL HOSPITAL.		✓
(2) DOUGLAS W. RINEHART	OFFICER OF THE ORGANIZATION.	550,071	INDIVIDUAL IS A BOARD MEMBER OF LEMSA. LEMSA PROVIDES SERVICES TO LANCASTER GENERAL HOSPITAL.		✓
(3) LEE M. DUKE II, MD	OFFICER	281,326	INDIVIDUAL IS EMPLOYED PART TIME BY PULMONARY ASSOCIATES OF LANCASTER (PAL). PAL PROVIDES SERVICES TO LANCASTER GENERAL HOSPITAL.		✓

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.

OMB No. 1545-0047

2012

Open To Public Inspection

Name of the organization: LANCASTER GENERAL HOSPITAL

Employer identification number: 23-1365353

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	✔	1	6,250	MARKET VALUE
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods	✔		568	MARKET VALUE
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 ▶ (BEAM SIGNING DINNER FOR ABCCC)	✔	1	21,188	MARKET VALUE
26	Other ▶ (GIFT CERTIFICATES)	✔	8	610	MARKET VALUE
27	Other ▶ (MOVIE TICKETS)	✔	1	20	MARKET VALUE
28	Other ▶ (FOOD)	✔	4	199	MARKET VALUE

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	0

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 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		✔
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	✔	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		✔
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** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Return Reference	Identifier	Explanation
SCHEDULE M, PART I	EXPLANATIONS OF REPORTING METHOD FOR NUMBER OF CONTRIBUTIONS	ART - WORKS OF ART: NUMBER OF ART PIECES CONTRIBUTED OTHER: NUMBER OF DINNERS CONTRIBUTED OTHER: NUMBER OF VENDORS IN WHICH GIFT CERTIFICATES WERE DISTRIBUTED FOR OTHER: NUMBER OF INSTANCES IN WHICH MOVIE TICKETS WERE DONATED. OTHER: NUMBER OF INSTANCES IN WHICH FOOD WAS DONATED. OTHER: NUMBER OF INSTANCES IN WHICH SUPPLIES WERE DONATED CLOTHING AND HOUSEHOLD GOODS: NUMBER OF INSTANCES IN WHICH CONTRIBUTIONS OF CLOTHING WAS CONTRIBUTED.

Part I **Other Types of Property** (continued)

(a) Property Type	**(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
(5) CRAFT SUPPLIES	1	345	MARKET VALUE

Schedule O (Form 990)
Department of 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 990-EZ or to provide any additional information.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the Organization: LANCASTER GENERAL HOSPITAL

Employer Identification Number: 23-1365353

Return Reference	Identifier	Explanation
FORM 990, PART I, LINE 17	OTHER EXPENSES	LANCASTER GENERAL HOSPITAL HAD PATIENT RELATED BAD DEBT IN THE AMOUNT OF $34,850,000 THAT WAS INCLUDED ON FORM 990, PART I, LINE 17 IN THE PRIOR REPORTING YEAR. IN JULY 2012, LANCASTER GENERAL HOSPITAL ADOPTED THE PROVISIONS OF ASU 2011-07 “PRESENTATION AND DISCLOSURE OF PATIENT SERVICE REVENUE, PROVISION FOR BAD DEBTS, AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTH CARE ENTITIES.” THE ASU REQUIRES HEALTH CARE ENTITIES TO PRESENT THE PROVISION FOR BAD DEBTS RELATED TO PATIENT SERVICE REVENUE AS A DEDUCTION FROM PATIENT SERVICE REVENUE ON THE FACE OF THE COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS. WITH THAT SAID, BAD DEBT OF $36,480,000 IS INCLUDED ON FORM 990, PART I, LINE 9 FOR THE CURRENT REPORTING YEAR.
FORM 990, PART III, LINE 4D	EXEMPT PURPOSE ACHIEVEMENTS	LANCASTER GENERAL HOSPITAL WILL IDENTIFY COMMUNITY HEALTH NEEDS; HELP REACH COMMUNITY CONSENSUS ON HEALTH CARE PRIORITIES; DEVELOP PROGRAMS (WHERE POSSIBLE TOGETHER WITH OTHER COMMUNITY ORGANIZATIONS) TO ADDRESS THESE NEEDS; DEVELOP AND MAINTAIN METRICS TO MEASURE OUR PROGRESS; AND REPORT OUR ACTIVITY TO THE BOARD OF TRUSTEES AND THE COMMUNITY AT LARGE. FINANCIAL MEANS SHOULD NOT PREVENT ANYONE FROM ACCESSING HEALTHCARE SERVICES. TO THAT END, LANCASTER GENERAL HOSPITAL HAS ESTABLISHED FINANCIAL ASSISTANCE PROGRAMS FOR THOSE WITH LITTLE OR NO INSURANCE, OR LIMITED FINANCIAL MEANS. LANCASTER GENERAL HOSPITAL INCURRED UNPAID COSTS OF $78.7M TO CARE FOR FINANCIALLY DISADVANTAGED PERSONS. LANCASTER GENERAL HOSPITAL ENGAGES IN MEDICAL RESEARCH PROGRAMS. LANCASTER GENERAL HOSPITAL ENGAGES IN TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS AT AN UNPAID COST OF $10.4M.
FORM 990, PART III, LINE 4D	DESCRIPTION OF OTHER PROGRAM SERVICES	(EXPENSES $ 275,686,298 INCLUDING GRANTS OF $ 3,505,637)(REVENUE $ 399,926,323) ALL OTHER PROGRAM SERVICES, INCLUDING BUT NOT LIMITED TO; LABORATORY, RADIOLOGY, EMERGENCY MEDICINE, EDUCATION, AND PHYSICAL MEDICINE AND REHABILITATION. LGH OPERATES AN EMERGENCY ROOM (ER) THAT IS OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY. THE EMERGENCY ROOM HAD A TOTAL OF 112,960 VISITS DURING FISCAL YEAR 2013. TOTAL PATIENT DAYS FOR THE FISCAL YEAR WERE 158,242. MEDICARE AND MEDICAID PATIENTS CONTRIBUTED 16,641 AND 6,422, RESPECTIVELY, TOWARDS THE 36,770 TOTAL INPATIENT DISCHARGES DURING THE FISCAL YEAR.
FORM 990, PART V, LINE 4A	FILING REQUIREMENTS FOR FORM TD-90-22.1	LANCASTER GENERAL HOSPITAL HAS AUTHORITY OVER A FINANCIAL ACCOUNT IN A FOREIGN COUNTRY. HOWEVER, THEY HAVE NO FINANCIAL INTEREST WITHIN THE FOREIGN ACCOUNT. FORM TD-90-22.1 WAS FILED WITH THE PARENT COMPANY, LANCASTER GENERAL HEALTH (EIN# 23-2250941).
FORM 990, PART VI, SECTION A, LINE 6	CLASSES OF MEMBERS OR STOCKHOLDERS	THE SOLE MEMBER OF LANCASTER GENERAL HOSPITAL IS LANCASTER GENERAL HEALTH. THE SOLE MEMBER MAY INITIATE OR IMPLEMENT ANY PROPOSAL WITH RESPECT TO ANY OF THE FOLLOWING; AMENDMENT OF CHARTER, CERTIFICATE OF ARTICLES OF INCORPORATION OR BYLAWS; SALE, PURCHASE, LEASE OR ENCUMBRANCE WITH DEBT; THE TRANSFER OF ANY ASSETS OF THE CORPORATION, EXCLUDING EQUIPMENT; ELECTION OR REMOVAL OF THE BOARD OF TRUSTEES OF THE CORPORATION; THE APPROVAL OF THE ANNUAL OPERATING AND CAPITAL BUDGETS OF THE CORPORATION; THE APPROVAL OF INVESTMENT ADVISORS, OUTSIDE LEGAL COUNSEL, AND AUDITORS OF THE CORPORATION; AND THE APPROVAL OF NON-BUDGETED EXPENDITURES.
FORM 990, PART VI, SECTION A, LINE 7A	MEMBERS OR STOCKHOLDERS ELECTING MEMBERS OF GOVERNING BODY	LANCASTER GENERAL HEALTH ELECTS THE BOARD OF TRUSTEES OF LANCASTER GENERAL HOSPITAL.
FORM 990, PART VI, SECTION A, LINE 7B	DECISIONS REQUIRING APPROVAL BY MEMBERS OR STOCKHOLDERS	THE SOLE MEMBER OF LANCASTER GENERAL HOSPITAL IS LANCASTER GENERAL HEALTH. THE SOLE MEMBER MAY INITIATE OR IMPLEMENT ANY PROPOSAL WITH RESPECT TO ANY OF THE FOLLOWING; AMENDMENT OF CHARTER, CERTIFICATE OF ARTICLES OF INCORPORATION OR BYLAWS; SALE, PURCHASE, LEASE OR ENCUMBRANCE WITH DEBT; THE TRANSFER OF ANY ASSETS OF THE CORPORATION, EXCLUDING EQUIPMENT; ELECTION OR REMOVAL OF THE BOARD OF TRUSTEES OF THE CORPORATION; THE APPROVAL OF THE ANNUAL OPERATING AND CAPITAL BUDGETS OF THE CORPORATION; THE APPROVAL OF INVESTMENT ADVISORS, OUTSIDE LEGAL COUNSEL, AND AUDITORS OF THE CORPORATION; AND THE APPROVAL OF NON-BUDGETED EXPENDITURES.
FORM 990, PART VI, LINE 10A	LOCAL CHAPTERS, BRANCHES, OR AFFILIATES	LANCASTER GENERAL HEALTH (EIN# 23-2250941) IS THE PARENT ORGANIZATION OF MULTIPLE AFFILIATES INCLUDING LANCASTER GENERAL HOSPITAL.
FORM 990, PART VI, SECTION B, LINE 10B	MONITORING COMPLIANCE OF LOCAL UNIT'S ACTIVITIES	THE ORGANIZATION HAS POLICIES AND PROCEDURES GOVERNING THE ACTIVITIES OF ITS AFFILIATES. HOWEVER, THEY ARE NOT CURRENTLY APPROVED BY THE GOVERNING BOARD.
FORM 990, PART VI, SECTION B, LINE 11B	REVIEW OF FORM 990 BY GOVERNING BODY	THE CFO, THE VICE PRESIDENT-CONTROLLER, AND THE DIRECTOR OF ACCOUNTING REVIEWED THE FORM 990. IN ADDITION, THE MEMBERS OF THE GOVERNING BODY WERE GIVEN THE OPPORTUNITY TO VIEW THE 990 ONLINE VIA THE BOARD PORTAL SYSTEM PRIOR TO THE ELECTRONIC FILING. THE CFO HIGHLIGHTED CERTAIN SECTIONS OF THE FORM 990

<table>
<tr><th>Return Reference</th><th>Identifier</th><th>Explanation</th></tr>
<tr><td></td><td></td><td>DURING THE BOARD MEETING HELD ON 5/15/2014 AND ANY QUESTIONS WERE ADDRESSED AT THAT TIME.</td></tr>
<tr><td>FORM 990, PART VI, LINE 12A</td><td>POLICIES AND PROCEDURES</td><td>THE ORGANIZATION HAS THE POLICIES AND PROCEDURES IN PLACE AS MENTIONED IN FORM 990, PART VI, SECTION B, LINE 12A, 13, 14, AND 16B. HOWEVER, THEY ARE NOT CURRENTLY APPROVED BY THE GOVERNING BOARD. THE MEETING AGENDA FOR THE MAY 15, 2014 BOARD MEETING INCLUDES REVIEW AND APPROVAL OF SUCH POLICIES.</td></tr>
<tr><td>FORM 990, PART VI, LINE 12C</td><td>CONFLICT OF INTEREST POLICY</td><td>IN ORDER TO ASCERTAIN AND EVALUATE ACTUAL OR POTENTIAL CONFLICTS, CERTAIN INTERESTED PERSON ARE REQUIRED TO FILL OUT A CONFLICT OF INTEREST DISCLOSURE STATEMENT UPON ENTERING EMPLOYMENT OR BECOMING A TRUSTEE OF LANCASTER GENERAL HOSPITAL OR AN AFFILIATE, AND OTHERS ARE ALSO REQUIRED TO FILL OUT SUCH A STATEMENT ON AN ANNUAL BASIS. IN ADDITION TO THIS REQUIREMENT, ALL OFFICERS AND TRUSTEES, REGARDLESS OF WHETHER OR NOT THEY HAVE FILLED OUT OR HAVE BEEN ASKED TO FILL OUT A CONFLICT OF INTEREST DISCLOSURE STATEMENT, HAVE AN ONGOING AFFIRMATIVE DUTY TO BRING TO THE ATTENTION OF LANCASTER GENERAL HOSPITAL, SITUATIONS WHICH MAY GIVE RISE TO AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST AS DESCRIBED IN THE POLICY.</td></tr>
<tr><td>FORM 990, PART VI, LINE 15</td><td>INDEPENDENCE</td><td>ALL BUT ONE OF THE MEMBERS OF THE COMMITTEE IS CONSIDERED INDEPENDENT.</td></tr>
<tr><td>FORM 990, PART VI, SECTION C, LINE 19</td><td>GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC</td><td>LANCASTER GENERAL HOSPITAL DOES NOT MAKE THE GOVERNING DOCUMENTS OR CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC. THE FINANCIAL STATEMENTS ARE NOW AVAILABLE TO THE PUBLIC AS THEY ARE REQUIRED TO BE INCLUDED WITH FORM 990, SCHEDULE H.</td></tr>
<tr><td>FORM 990, PART VII, SECTION A, LINE 1A, COLUMN (B)</td><td>COMPENSATION</td><td>MEMBERS OF THE BOARD ARE NOT COMPENSATED FOR THEIR POSITION ON THE BOARD. COMPENSATION DISCLOSED RELATES TO OTHER SERVICES PERFORMED.</td></tr>
<tr><td>FORM 990, PART X, LINE 20</td><td>TAX EXEMPT BOND LIABILITIES</td><td>THE AMOUNT OF ISSUE OUSTANDING FOR BOTH THE SERIES 2007 AND 2012 BONDS ALSO INCLUDES THE BOND PREMIUM. THE BALANCE OF THE 2007 BOND PREMIUM AT 6/30/13 WAS $2,214,461. THE BALANCE OF THE 2012 BOND PREMIUM AT 6/30/13 WAS $4,066,446.</td></tr>
<tr><td>FORM 990 , PART XI, LINE 9</td><td>OTHER CHANGES IN NET ASSETS OR FUND BALANCES</td><td>
<table>
<tr><th>(a) Description</th><th>(b) Amount</th></tr>
<tr><td>CHANGE IN INTEREST IN NET ASSETS OF LANCASTER GENERAL</td><td>183,092</td></tr>
<tr><td>OTHER NON-OPERATING INCOME</td><td>5,300,837</td></tr>
<tr><td>TRANSFER OF NET ASSETS</td><td>175,204</td></tr>
<tr><td>RELATED PARTY TRANSFERS</td><td>- 114,981,778</td></tr>
<tr><td>PERPETUAL TRUST DISTRIBUTION</td><td>79,491</td></tr>
</table>
</td></tr>
</table>

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LANCASTER GENERAL HOSPITAL

Employer identification number

23-1365353

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to 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
(1) LANCASTER GENERAL HEALTH (23-2250941) 555 NORTH DUKE STREET, LANCASTER, PA 17604	MGMT & FIN. SUPPORT TO CONTROLLED ORG. & UNDERTAKING ACTIVITIES TO IMPROVE THE HEALTH OF COMMUNITY	PA	501(C)(3)	TYPE II	N/A		✔
(2) LANCASTER GENERAL HEALTH FOUNDATION (20-5767147) 555 NORTH DUKE STREET, LANCASTER, PA 17604	ORGANIZED & OPERATED TO SUPPORT THE EXEMPT PURPOSES OF MEMBER OF LG HEALTH	PA	501(C)(3)	TYPE III - FI	LANCASTER GENERAL HEALTH		✔
(3) LANCASTER GENERAL MEDICAL GROUP (23-2777286) 1030 NEW HOLLAND AVENUE, LANCASTER, PA 17601	PROVIDE CHARITABLE PRIMARY AND SPECIALTY HEALTHCARE	PA	501(C)(3)	3	LANCASTER GENERAL HEALTH		✔
(4) LANCASTER GENERAL HEALTH-COLUMBIA CENTER (23-0485650) 306 NORTH 7TH STREET, COLUMBIA, PA 17512	ACUTE PRIMARY CARE/FACILITY MGMT OP SVCS	PA	501(C)(3)	3	LANCASTER GENERAL HOSPITAL	✔	
(5) PENNSYLVANIA COLLEGE OF HEALTH SCIENCES (06-1645496) 410 NORTH LIME STREET, LANCASTER, PA 17602	PROVIDE SUPPORT AND PROMOTE HEALTHCARE EDUCATION	PA	501(C)(3)	2	LANCASTER GENERAL HOSPITAL	✔	
(6) LANCASTER GENERAL REHABILITATION SERVICES INC (20-4943109) 555 NORTH DUKE STREET, LANCASTER, PA 17604	OWNERSHIP/OPERATION OF REHABILITATION HOSPITAL	PA	501(C)(3)	3	LANCASTER GENERAL HEALTH		✔
(7) LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC (20-4943239) 555 NORTH DUKE STREET, LANCASTER, PA 17604	OWNERSHIP/OPERATION OF AMBULATORY SURGERY CENTER	PA	501(C)(3)	3	LANCASTER GENERAL HOSPITAL	✔	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) See Statement												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to 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) LANCASTER GENERAL SERVICES BUSINESS TRUST (23-2250128) 607 NORTH DUKE STREET, LANCASTER, PA 17602	OWNS & OPERATES REAL ESTATE PROPERTY.	PA	LANCASTER GENERAL HEALTH	TRUST			N/A		
(2) BARGE GANSE VENACARE BUSINESS TRUST (23-2113017) 607 NORTH DUKE STREET, LANCASTER, PA 17602	PHARMACY & OWNER OF HOME INFUSION THE	PA	LANCASTER GENERAL SERVICES BUSINESS TRUST	TRUST			N/A		
(3) LANCASTER GENERAL INSURANCE COMPANY (98-0176655) PO BOX 1109 GT, GRAND CAYMAN, CJ, KYI-1102,	INSURANCE	CJ	LANCASTER GENERAL HEALTH	C CORPORATION			N/A		
(4)									
(5)									
(6)									
(7)									

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

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

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

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 other organization	(b) Transaction type (a–s)	(c) Amount involved	(d) Method of determining amount involved
(1)	LANCASTER GENERAL HEALTH-COLUMBIA CENTER	B	1,213,787	FMV
(2)	LANCASTER GENERAL HEALTH-COLUMBIA CENTER	K	375,318	FMV
(3)	LANCASTER GENERAL HEALTH-COLUMBIA CENTER	L	119,366	FMV
(4)	LANCASTER GENERAL HEALTH-COLUMBIA CENTER	M	18,293	FMV
(5)	LANCASTER GENERAL HEALTH-COLUMBIA CENTER	O	1,239	FMV
(6)	LANCASTER GENERAL HEALTH-COLUMBIA CENTER	O	234,113	FMV

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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 section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate 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	
(1)													
(2)													
(3)													
(4)													
(5)													
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(14)													
(15)													
(16)													

Part VII **Supplemental Information** Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Return Reference	Identifier	Explanation
PART I	TRANSACTIONS WITH RELATED ORGANIZATIONS	ALL ARRANGEMENTS ARE NEGOTIATED AT ARM'S LENGTH AND FOR FAIR VALUE IN COMPLIANCE WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY. AFFILIATES PERFORM INTER-COMPANY TRANSACTIONS AS PART OF THE NORMAL COURSE OF BUSINESS.

Part II **Identification of Related Tax-Exempt Organizations** (continued)

(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
(8) LANCASTER GENERAL IMAGING CORPORATION (23-3102789) 609 NORTH CHERRY STREET, LANCASTER, PA 17604	OWNERSHIP/OPERATING OF IMAGING SERVICES	PA	501(C)(3)	3	LANCASTER GENERAL HOSPITAL	✓	
(9) UNITED AUXILIARIES TO LANCASTER GENERAL HOSPITAL (23-1976868) 555 NORTH DUKE STREET, LANCASTER, PA 17604	TO PROMOTE AND ADVANCE LANCASTER GENERAL HOSPITAL'S PLANS & PROGRAMS	PA	501(C)(3)	9	N/A		✓
(10) THE HEART GROUP OF LANCASTER GENERAL HEALTH (30-0634510) 555 NORTH DUKE STREET, LANCASTER, PA 17604	PROVIDES SPECIALTY CARDIOLOGY HEALTHCARE SERVICES	PA	501(C)(3)	4	LANCASTER GENERAL HEALTH		✓
(11) LANCASTER GENERAL HEALTH INNOVATIVE SOLUTIONS, INC. (46-0589543) 555 NORTH DUKE STREET, LANCASTER, PA 17604	TO CONCEIVE AND LAUNCH NOVEL HEALTHCARE SERVICES AND PRODUCTS	PA	501(C)(3)	11 - TYPE I	LANCASTER GENERAL HEALTH		✓

Part III Identification of Related Organizations Taxable as a Partnership (continued)

(a) Name, address and EIN of related organization	(b) Primary Activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income related, unrelated, excluded from tax under sections 512-514	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(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	
(1) LANCASTER PET PARTNERSHIP LLP (23-3102793) PO BOX 4216, LANCASTER, PA 17604	MEDICAL SERVICES	PA	LANCASTER GENERAL IMAGING CORPORATION	RELATED				N/A			N/A	
(2) MRI GROUP LLP (33-1011386) PO BOX 4216, LANCASTER, PA 17604	MEDICAL SERVICES	PA	LANCASTER GENERAL IMAGING CORPORATION	RELATED				N/A			N/A	
(3) LG HEALTH COMMUNITY CARE COLLABORATIVE, LLC (45-5542179) 555 NORTH DUKE STREET, LANCASTER, PA 17604	ACCOUNTABLE CARE ORGANIZATION	PA	LANCASTER GENERAL HOSPITAL	RELATED				✓		✓		97%

(a) Name of other organization	**(b)** Transaction type (a-r)	**(c)** Amount Involved	**(f)** Method of determining amount involved
(7) LANCASTER GENERAL HEALTH-COLUMBIA CENTER	Q	997,963	FMV
(8) LANCASTER GENERAL HEALTH-COLUMBIA CENTER	R	1,041,362	FMV
(9) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	A	105,504	FMV
(10) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	B	1,519,328	FMV
(11) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	G	158,525	FMV
(12) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	L	406,840	FMV
(13) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	M	3,487,019	FMV
(14) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	O	204,386	FMV
(15) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	O	385,314	FMV
(16) LANCASTER GENERAL COLLEGE OF NURSING & HEALTH SCIENCES	Q	3,135,295	FMV
(17) LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC	B	55,473	FMV
(18) LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC	C	5,790,744	FMV
(19) LANCASTER GENERAL AMBULATORY SURGICAL SERVICES INC	L	42,973	FMV
(20) MRI GROUP LLP	A	398,477	FMV
(21) MRI GROUP LLP	L	1,171,827	FMV
(22) MRI GROUP LLP	M	4,908,967	FMV
(23) LANCASTER PET PARTNERSHIP LLP	A	69,654	FMV
(24) LANCASTER PET PARTNERSHIP LLP	L	247,621	FMV
(25) LANCASTER PET PARTNERSHIP LLP	M	20,780	FMV
(26) LANCASTER GENERAL IMAGING CORPORATION	B	19,740	FMV
(27) LANCASTER GENERAL IMAGING CORPORATION	C	2,914,375	FMV
(28) LANCASTER GENERAL IMAGING CORPORATION	L	19,240	FMV
(29) LANCASTER GENERAL HEALTH	B	87,035,300	FMV
(30) LANCASTER GENERAL HEALTH	L	3,749,166	FMV
(31) LANCASTER GENERAL HEALTH	M	783,701	FMV
(32) LANCASTER GENERAL HEALTH FOUNDATION	B	638,985	FMV
(33) LANCASTER GENERAL HEALTH FOUNDATION	C	50,000	FMV
(34) LANCASTER GENERAL HEALTH FOUNDATION	L	154,625	FMV
(35) LANCASTER GENERAL HEALTH FOUNDATION	O	289,549	FMV
(36) THE HEART GROUP OF LANCASTER GENERAL HEALTH	B	11,895,433	FMV
(37) THE HEART GROUP OF LANCASTER GENERAL HEALTH	J	10,057	FMV
(38) THE HEART GROUP OF LANCASTER GENERAL HEALTH	K	439,776	FMV
(39) THE HEART GROUP OF LANCASTER GENERAL HEALTH	L	509,692	FMV
(40) THE HEART GROUP OF LANCASTER GENERAL HEALTH	M	164,305	FMV
(41) THE HEART GROUP OF LANCASTER GENERAL HEALTH	O	123,986	FMV

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount Involved	(f) Method of determining amount involved
(42) THE HEART GROUP OF LANCASTER GENERAL HEALTH	O	298,194	FMV
(43) THE HEART GROUP OF LANCASTER GENERAL HEALTH	P	17,509	FMV
(44) THE HEART GROUP OF LANCASTER GENERAL HEALTH	Q	420,079	FMV
(45) THE HEART GROUP OF LANCASTER GENERAL HEALTH	R	7,762,000	FMV
(46) LANCASTER GENERAL MEDICAL GROUP	B	23,166,789	FMV
(47) LANCASTER GENERAL MEDICAL GROUP	J	998,399	FMV
(48) LANCASTER GENERAL MEDICAL GROUP	K	52,602	FMV
(49) LANCASTER GENERAL MEDICAL GROUP	L	2,710,498	FMV
(50) LANCASTER GENERAL MEDICAL GROUP	M	2,659,430	FMV
(51) LANCASTER GENERAL MEDICAL GROUP	O	895,841	FMV
(52) LANCASTER GENERAL MEDICAL GROUP	O	2,071,006	FMV
(53) LANCASTER GENERAL MEDICAL GROUP	P	154,524	FMV
(54) LANCASTER GENERAL MEDICAL GROUP	Q	1,942,567	FMV
(55) LANCASTER GENERAL MEDICAL GROUP	R	1,315,000	FMV
(56) LANCASTER GENERAL MEDICAL GROUP	S	122,996	FMV
(57) LANCASTER GENERAL INSURANCE COMPANY	M	524,567	FMV
(58) LANCASTER GENERAL REHABILITATION SERVICES INC	B	81,033	FMV
(59) LANCASTER GENERAL REHABILITATION SERVICES INC	C	2,370,500	FMV
(60) LANCASTER GENERAL REHABILITATION SERVICES INC	L	67,843	FMV
(61) LANCASTER GENERAL HEALTH INNOVATIVE SOLUTIONS, INC.	O	238,471	FMV
(62) LANCASTER GENERAL SERVICES BUSINESS TRUST	J	11,237	FMV
(63) LANCASTER GENERAL SERVICES BUSINESS TRUST	K	332,501	FMV
(64) LANCASTER GENERAL SERVICES BUSINESS TRUST	L	167,036	FMV
(65) LANCASTER GENERAL SERVICES BUSINESS TRUST	M	327,601	FMV
(66) BARGE GANSE VENACARE BUSINESS TRUST	L	5,229	FMV
(67) UNITED AUXILIARIES TO LANCASTER GENERAL HOSPITAL	C	65,000	FMV
(68) UNITED AUXILIARIES TO LANCASTER GENERAL HOSPITAL	Q	178,205	FMV

Lancaster General Health

Consolidated Financial Statements and Supplementary Information
June 30, 2013 and 2012

Lancaster General Health
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June 30, 2013 and 2012

Independent Auditor's Report

To the Audit and Compliance Committee of Lancaster General Health

We have audited the accompanying consolidated financial statements of Lancaster General Health ("LG"), which comprise the consolidated balance sheet as of June 30, 2013, and the related consolidated statement of operations and changes in net assets for the year 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 audit. We conducted our audit 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 LG'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 LG's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matter

The consolidated financial statements of LG as of June 30, 2012 and for the year then ended were audited by other auditors whose report, dated October 29, 2012, expressed an unqualified opinion on those statements.

October 31, 2013

Lancaster General Health
Consolidated Balance Sheets
Years Ended June 30, 2013 and 2012
(in thousands of dollars)

Assets	**2013**	**2012**
Current assets		
Cash and cash equivalents	$ 16,028	$ 13,280
Investments	33,794	74,858
Assets limited as to use	6,115	4,304
Patient accounts receivable, net of allowance for doubtful accounts of $22,438 and $20,071 at June 30, 2013 and 2012, respectively	99,712	109,790
Other receivables	22,177	14,948
Inventories	12,340	4,576
Prepaid expenses and other current assets	19,497	19,920
Total current assets	209,663	241,676
Investments		
Unrestricted	739,462	612,699
Donor restricted	12,795	20,333
	752,257	633,032
Assets limited as to use, net of current portion	12,421	34,335
Property, plant and equipment, net	505,791	477,406
Beneficial interest in trusts	8,871	8,533
Investments in non-consolidated affiliates	15,542	14,205
Other assets	4,699	6,107
Total assets	$ 1,509,244	$ 1,415,294
Liabilities and net assets		
Current Liabilities		
Current portion of long-term debt	$ 7,108	$ 7,229
Accounts payable	29,659	37,012
Accrued payroll and related benefits	48,521	43,499
Estimated settlements with third-party payors	12,526	10,853
Other current liabilities	9,124	20,395
Total current liabilities	106,938	118,988
Accrued pension liability	162,935	291,299
Other liabilities	73,493	71,810
Long-term debt, net of current portion	223,399	228,635
Total liabilities	566,765	710,732
Net Assets		
Unrestricted		
Unrestricted net assets of LG	919,048	671,526
Non-controlling interests	3,125	3,051
Total unrestricted net assets	922,173	674,577
Temporarily restricted	9,633	18,534
Permanently restricted	10,673	11,451
Total net assets	942,479	704,562
Total liabilities and net assets	$ 1,509,244	$ 1,415,294

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

Lancaster General Health
Consolidated Statement of Operations and Changes in Net Assets
Years Ended June 30, 2013 and 2012
(in thousands of dollars)

Unrestricted net assets	**2013**	**2012**
Unrestricted revenue and other support		
Net patient service revenue	$ 914,301	$ 905,547
Provision for bad debt	(41,425)	(37,087)
Net patient service revenue, less provision for bad debt	872,876	868,460
Medical services	10,031	17,225
Capitation revenue	1,524	878
Other revenue	31,017	26,981
Net assets released from restrictions for operations	3,980	2,593
Contributions	317	505
Total unrestricted revenue and other support	919,745	916,642
Expenses		
Operating expenses	832,004	824,299
Depreciation and amortization	51,232	54,929
Interest	7,932	5,955
Provision for bad debts	111	76
Total expenses	891,279	885,259
Operating income	28,466	31,383
Other income (loss)		
Investment income, net	14,219	14,096
Net realized gains on sale of trading securities	11,742	4,388
Change in net unrealized gains and losses on trading securities	16,941	(16,381)
Change in fair value of interest rate swap agreement	2,067	(5,295)
Income tax adjustment	12,093	(12,093)
Other non-operating income, net	15,160	34,090
Total other income	72,222	18,805
Excess of revenue and other income over expenses	100,688	50,188
Excess of revenue attributable to non-controlling interest	(1,984)	(2,466)
Excess of revenue and other income over expenses attributable to LG	98,704	47,722
Other changes in unrestricted net assets		
Net assets released from restrictions - purchase of property, plant and equipment	10,654	450
Change in non-controlling interests	74	(2,220)
Change in pension liability	141,439	(146,063)
Change in post retirement benefits	(978)	(2,045)
Effects of deconsolidation of affiliate	(2,297)	(12,517)
Increase (decrease) in unrestricted net assets	247,596	(114,673)

Continued on next page

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

Lancaster General Health
Consolidated Statement of Operations and Changes in Net Assets
Years Ended June 30, 2013 and 2012
(in thousands of dollars)

	2013	2012
Temporarily restricted net assets		
Restricted contributions and gifts	$ 5,453	$ 4,818
Investment income	187	223
Net realized gains on sale of trading securities	16	82
Change in net unrealized gains on trading securities	289	(347)
Net assets released from restrictions	(14,634)	(3,043)
Effects of deconsolidation of affiliate	(212)	(13)
(Decrease) increase in temporarily restricted net assets	(8,901)	1,720
Permanently restricted net assets		
Restricted contributions and gifts	124	251
Change in net unrealized gains and losses on trading securities	400	(25)
Change in fair value of beneficial interest in trusts	138	(289)
Effects of deconsolidation of affiliate	(1,440)	(207)
(Decrease) in permanently restricted net assets	(778)	(270)
Increase (decrease) in net assets	237,917	(113,223)
Net assets, beginning of year	704,562	817,785
Net assets, end of year	$ 942,479	$ 704,562

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

Lancaster General Health
Consolidated Statement of Cash Flows
Years Ended June 30, 2013 and 2012
(in thousands of dollars)

	2013	2012
Operating activities		
Increase (decrease) in net assets	$ 237,917	$ (113,223)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Change in pension liability	(141,439)	146,063
Change in post-retirement benefits	978	2,045
Depreciation and amortization	51,232	54,929
Provision for bad debts	41,536	37,163
Equity earnings in non-consolidated affiliates	(10,000)	(9,357)
Net realized and unrealized (gains)/losses on trading securities	(29,225)	11,946
Change in fair value of interest rate swap liability	(2,996)	4,339
Change in fair value of beneficial interest in trusts	(338)	785
Restricted contributions, gifts, grants, and restricted income	(828)	(5,292)
Changes in certain assets and liabilities		
Patient accounts receivable	(31,347)	(28,120)
Other receivables	(7,340)	1,885
Inventories	(7,764)	596
Prepaid expenses and other current assets	423	986
Other assets	1,231	(566)
Accounts payable	(9,601)	11,084
Accrued payroll and related benefits	5,022	(9,600)
Estimated settlements with third-party payors	1,673	(233)
Accrued pension liability	13,075	(18,149)
Other liabilities	(7,571)	10,970
Net cash provided by operating activities before trading securities	104,638	98,251
Change in investments and assets limited as to use trading securities	(28,832)	(67,360)
Net cash provided by operating activities	75,806	30,891
Investing activities		
Net purchases of property, plant and equipment	(75,077)	(48,990)
Distributions from non-consolidated affiliates	8,861	6,099
Net cash used in investing activities	(66,216)	(42,891)
Financing activities		
Restricted contributions, gifts, grants, and restricted income	828	5,292
Proceeds from long-term debt	-	119,007
Repayments of long-term debt	(7,670)	(124,179)
Payments for deferred financing costs	-	(1,247)
Net cash (used in) financing activities	(6,842)	(1,127)
Increase (decrease) in cash and cash equivalents	2,748	(13,127)
Cash and cash equivalents, beginning of year	13,280	26,407
Cash and cash equivalents, end of year	$ 16,028	$ 13,280
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	$ 6,025	$ 6,995
Cash paid for income taxes	$ 116	$ 2,160
Noncash investing and financing activities		
Capital lease obligations incurred in exchange for equipment	$ 2,313	$ 2,148
Accrual for the purchase of property, plant and equipment	$ 2,247	$ 322

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

NOTE A - ORGANIZATION

Lancaster General Health is a not-for-profit organization which provides managerial and financial support to its controlled organizations and is also responsible for undertaking activities to improve the health of the community. The related entities under the control of Lancaster General Health include: Lancaster General Hospital (the Hospital) and its controlled entities (collectively, LGH): Lancaster General Health-Columbia Center, Lancaster General College of Nursing & Health Sciences, Lancaster General Imaging Corporation, Lancaster General Ambulatory Surgical Services, and Lancaster General Health Community Care Collaborative, LLC; Lancaster General Medical Group; Lancaster General Insurance Company, Ltd.; Lancaster General Services Business Trust and subsidiaries; Lancaster General Rehabilitation Services, Inc.; Lancaster General Health Foundation; The Heart Group of Lancaster General Health; and Lancaster General Health Innovative Solutions, Inc.

Lancaster General Hospital (the Hospital) founded in 1893 as a private, voluntary, nonsectarian general hospital, has 638 beds and is located in the City of Lancaster, Pennsylvania. Its primary service area is comprised of Lancaster City and 14 surrounding communities. The Hospital provides a full range of primary and secondary health care services and is a major referral center. The sole member of the Hospital is Lancaster General Health.

Lancaster General Health - Columbia Center (CHC) is a not-for-profit corporation located in Columbia, Pennsylvania. It operates a primary care physician office and provides facility management for outpatient services. CHC's sole member is the Hospital.

Lancaster General College of Nursing & Health Sciences (LGCNHS) is a not-for-profit corporation that operates a college located in the City of Lancaster, Pennsylvania. The sole member of LGCNHS is the Hospital.

Lancaster General Imaging Corporation (LGIC) is a not-for-profit corporation located in the City of Lancaster, Pennsylvania and its sole member is the Hospital. LGIC has a 75% ownership interest in the Lancaster PET Partnership, LLP (PET) and a 57.5% ownership interest in the MRI Group, LLP (MRI).

Lancaster General Ambulatory Surgical Services, Inc. (LGAMB) is a not-for-profit corporation which owns 50% of Physicians' Surgery Center - Lancaster General. The sole member of LGAMB is the Hospital.

Lancaster General Health Community Care Collaborative, LLC (LGHCCC) is a domestic limited liability company formed as an accountable care organization to receive and distribute shared savings from the Medicare Shared Savings Program. There has been no financial activity in this company as of June 30, 2013 and 2012.

Lancaster General Medical Group (LGMG) is a not-for-profit organization which employs physicians and provides management services to physicians. The sole member of Lancaster General Medical Group is Lancaster General Health.

Lancaster General Insurance Company, Ltd. (LGI) is a Cayman Islands captive insurance company whose sole shareholder is Lancaster General Health.

Lancaster General Services Business Trust (LGSBT) is a for-profit Pennsylvania business trust solely owned by Lancaster General Health. LGSBT owns and operates Barge-Ganse Venacare Business Trust (BGVBT) and real estate properties. Through November 30, 2011, BGVBT held a 60% interest in Horizon Healthcare Services, LLP (HHS). On that date, BGVBT sold a portion of their interest in HHS thereby reducing their ownership interest to 25%.

Lancaster General Rehabilitation Services, Inc. (LRSI) is a not-for-profit corporation which owns 50% of Lancaster Rehabilitation Hospital. The sole member of Lancaster General Rehabilitation Services, Inc. is Lancaster General Health.

Lancaster General Health Foundation (LGHF) is a not-for-profit corporation formed to support the development activities of the tax exempt, not-for-profit corporations within the Lancaster General Health system. The sole member of Lancaster General Health Foundation is Lancaster General Health.

The Heart Group of Lancaster General Health (THG) is a not-for-profit corporation which employs cardiologists. The sole member of The Heart Group of Lancaster General Health is Lancaster General Health.

Lancaster General Health Innovative Solutions, Inc. (LGHIS) is a not-for-profit corporation whose purpose is to launch novel products and services and leverage technologies as innovative solutions for healthcare transformation in Lancaster County and the surrounding communities. The sole member of Lancaster General Health Innovative Solutions, Inc. is Lancaster General Health.

As of July 1, 2012 Lancaster Cleft Palate Clinic (LCPC) is no longer affiliated with Lancaster General Health and operates as an independent, not-for-profit organization.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statements include the accounts of Lancaster General Health and the related entities under its control (collectively, LG). LG, through LGIC, owns certain interests in companies at June 30, 2013 and 2012, which are included in the consolidated financial statements, with the non-controlling interests reported as a component of net assets. All significant intercompany balances and transactions have been eliminated.

The change in ownership interests of HHS and VNA Community Care Services, Inc. (VNA) required their deconsolidation during the year ended June 30, 2012. The change in the ownership interest of LCPC required its deconsolidation during the year ended June 30, 2013.

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 consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions are related to the determination of allowance for doubtful accounts and contractual allowances for patient

accounts receivable, useful lives of property, plant, and equipment, actuarial estimates for the postretirement benefit plan, self-insured reserves, including professional and general liabilities, and the reported fair values of certain assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and cash equivalents include various checking, savings, and money market accounts and other investments, with initial maturity dates of three months or less.

Inventories
Inventories are stated at the lower of cost, determined by the weighted-average cost method, or market.

Investments and Assets Limited as to Use
Investments and assets limited as to use include assets set aside by management and trustees for future purposes, including capital improvements and self insurance trust funds. Certain investments have been restricted by donors and are designated as donor restricted. In addition, assets limited as to use include investments held by trustees under bond indenture agreements, including construction and debt service interest, principal, and reserve funds. LG has designated its investment portfolios as trading. Amounts required to meet current liabilities have been reclassified to the current portion of assets limited as to use in the consolidated balance sheets.

Direct investments in equity securities with readily determinable fair values and all direct investments in debt securities have been measured at fair value in the accompanying consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in excess of revenues and other income over expenses unless the income or loss is restricted by donor or law.

Equities that are listed on an exchange are valued at their last sales price on the date of determination on the primary exchange. Fixed income positions are generally priced at the close of market using third party data providers, such positions will be marked at the “bid” price.

LG also invests in a variety of alternative investments carried at their net asset value per share as a practical expedient, as provided by the investment managers. Alternative investments are in private equity, real asset, absolute return and venture capital funds, in which the underlying investments are in marketable securities, currencies, limited partnerships, commodities and energy portfolios and forward and swap contracts. Because some alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. These instruments may contain elements of both credit risk and market risk. Such risks include, but are not limited to: limited liquidity, absence of oversight, dependence on key individuals, emphasis on speculative investments, and nondisclosure of portfolio composition.

LG reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining fair value of the alternative investments. LG requests, receives and reviews the audited financial statements from the investment managers.

Property, Plant and Equipment
Property, plant and equipment acquisitions are recorded at cost. Donated assets are recorded at their fair value at the date of donation. Depreciation is expensed over the estimated useful lives of each depreciable asset and is computed using the straight-line method. Equipment under capital leases is amortized on the straight-line method over the shorter 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, net of income earned, on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Capitalized interest amounted to $865 and

$26 for the years ended June 30, 2013 and 2012, respectively. Repair and maintenance costs are expensed as incurred. When property, plant, and equipment are retired, sold, or otherwise disposed of, the asset's carrying value and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations.

Long-Lived Assets
LG continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. When factors indicate that long-lived assets should be evaluated for possible impairment, LG uses an estimate of the related discounted operating income over the remaining life of the long-lived asset in measuring whether the long-lived asset is recoverable. An impairment loss on these assets is measured as the excess of the carrying amount of the asset over its fair value. Fair value is based on market prices where available, or discounted cash flows. At June 30, 2013, LG recorded an impairment loss of long-lived assets of $3,004 related to The Heart Group of Lancaster General Health.

Deferred Financing Costs
Deferred debt issuance costs included in other assets at June 30, 2013 and 2012, totaling $1,935 and $1,916, respectively, are amortized using the straight-line method over the life of the related debt, which approximates the effective interest method.

Beneficial Interest in Trusts
LG has been named as a beneficiary of several trusts, including a charitable remainder trust, to be held in perpetuity, which are administered and controlled by independent trustees. LG has recorded its portion of the fair value of the trusts as permanently restricted, with the exception of one trust that is temporarily restricted. LG records the earnings from these investments as unrestricted or restricted investment income, based on the donor's stipulation. The fair value of the asset is measured at least annually based on the current market value of the trust. There was no contribution revenue recognized under these trusts for the years ended June 30, 2013 and 2012.

Donor-Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. 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 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 as net assets released from restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset class, and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

Charitable Gift Annuities
Charitable gift annuities are arrangements between a donor and LG in which the donor contributes assets to LG in exchange for a promise from LG to pay the donor a fixed amount for a specified period of time. Assets received have been recognized at fair value and an annuity payment liability has been recognized at the present value of the future cash flows expected to be paid. Unrestricted or restricted contribution revenue is recognized as the difference between these two amounts based on donor restrictions placed on the use of the assets. To calculate the present value of the charitable gift annuities, various discount rates based on donor mortality estimates were used.

Charitable gift annuity assets were $1,923 and $1,796 as of June 30, 2013 and June 30, 2012 and are included in investments-donor restricted on the consolidated balance sheets. Annuity payment liabilities were $811 and $701 as of June 30, 2013 and June 30, 2012 and are included in other liabilities on the consolidated balance sheets. Contribution revenue recognized under these agreements was $550 and $525 for the years ended June 30, 2013 and 2012.

Derivative Financial Instruments
LG recognizes all derivative financial instruments in the consolidated balance sheets at fair value. Management has elected not to designate the interest rate swap agreement as hedges for financial reporting purposes. Consequently, the change in the fair value of LG's interest rate swap agreements is included in other income (loss) as a component of excess of revenues and other income over expenses in the consolidated statements of operations and changes in net assets.
The interest rate swap agreement is used by LG to manage interest rate exposures and to hedge the changes in cash flows on variable rate revenue bonds. Derivative financial instruments involve, to a varying degree, elements of market and credit risk. The market risk associated with these instruments resulting from interest rate movements is expected to offset the market risk of the liability being hedged.

Investments in Non-Consolidated Affiliates
Investments in partnerships and limited liability companies including those with underlying interest in equity and debt securities are recorded using the equity method of accounting, with the related changes in value in earnings reported as a component of other income (loss) in the accompanying consolidated statements of operations and changes in net assets.

Estimated Professional Liability
The reserve for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported and is included in other liabilities in the consolidated balance sheets. The estimate for incurred but not reported claims is actuarially determined based on LG specific and industry experience data. Receivables for expected insurance recoveries are included in other assets in the accompanying consolidated balance sheets.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets represent those assets whose use has been limited by donors to a specific time period or purpose. As the donors' intentions are met, the net assets are reclassified to unrestricted and reported in the consolidated statements of operations and changes in net assets as a component of unrestricted revenue and other support for operating purposes, and as other changes in unrestricted net assets for acquisitions of property, plant and equipment. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity with income to support services in accordance with donor stipulations. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless restricted by donor stipulations or law.

Net Patient Service Revenue
Net patient service revenue is recorded at established rates, net of contractual adjustments, charity allowances, and policy discounts. Contractual revenue adjustments arising from reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered. Differences between these accruals and final third-party settlements are included in the consolidated statements of operations and changes in net assets as an adjustment to net patient service revenue in the year of final settlement.

LG recognizes bad debt expense and the allowance for doubtful accounts based upon historical experience for both third-party payors and self pay. Management regularly evaluates patient account history in determining the sufficiency of the allowance for doubtful accounts and provision for bad debts. Patient accounts receivable are charged off against the allowance for doubtful accounts when management determines that recovery is unlikely and collection efforts cease. Losses have been consistent with management's expectations.

LG has agreements with various third-party payors to provide office visits to subscribing participants. Under these agreements, LG receives monthly capitation payments based on the number of each payor's participants, regardless of services actually performed by LG.

Community Care
LG provides care to patients who meet certain criteria under its financial assistance policy without charge or at amounts less than its established rates. The entities do not pursue collection of amounts determined to qualify as financial assistance therefore they are not reported as revenue. Direct and indirect costs for these services amounted to $127,677 and $132,185 for the years ended June 30, 2013 and 2012, respectively. The estimated costs of providing community care are based on data derived from LG's cost accounting system. LG's threshold for financial assistance is 400% of the Federal Poverty Guidelines (FPG). LG uses a sliding scale to determine actual discounts to be provided to patients who have income less than 400% of the FPG. This policy results in LG's assumption of higher-than-normal patient receivable credit risk. Any additional losses realized as a result of this assumption are included in the provision for bad debts. (see Note C)

Medical Services
LG provides convenience pharmacy services to employees and their families as well as to patients who are discharged. Medical services revenue is recorded at the net amount collected for the services provided.

Other Revenue
Other revenue is comprised of tuition revenue, rental income, cafeteria revenue and other miscellaneous items (see Note E).

Electronic Health Records Incentive Program (EHR)
The American Recovery and Reinvestment Act of 2009 (ARRA) established incentive payments under the Medicare and Medicaid programs for certain medical professionals and hospitals that "meaningfully use" certified EHR technology. The Health Information Technology for Economic and Clinical Health Act provision within the ARRA allowed for $19 billion of incentives to be paid to hospitals and physicians who implement and meaningfully use electronic health record technology by 2014. LG utilizes the contingency model and recognized $7,688 for these incentives as other non-operating income in the consolidated statements of operations and changes in net assets as of June 30, 2013.

Excess of Revenue and Other Income over Expenses
The consolidated statements of operations and changes in net assets include the excess of revenue and other income over expenses. Changes in unrestricted net assets that are excluded from the excess of revenue and other income over expenses, consistent with industry practice, include changes in pension liability, change in other benefits, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and changes in non-controlling interests and the net asset effect of the deconsolidation of an affiliate.

(in thousands of dollars)

Income Taxes
Except for LGSBT and its subsidiaries, LGI and LGHCCC, Lancaster General Health and its controlled affiliates are organized and operated as nonprofit corporations and as tax-exempt organizations described in Internal Revenue Code (IRC) Section 501(c)(3), and, except for THG and LGHIS, which have not yet received recognition from the Internal Revenue Service (IRS) of its tax-exempt status, each of the others have received Section 501(c)(3) determinations from the IRS.

LGAMB and LRSI are Pennsylvania nonprofit corporations. In April 2008, LGAMB and LRSI each filed an Application for Recognition of Exemption under IRC Section 501(c)(3) (Form 1023). On May 18, 2012, LGAMB and LRSI each received a determination from the IRS that such entities do not qualify for exemption under Section 501(c)(3) of the IRC. LGAMB and LRSI each filed a protest letter regarding the determinations with the IRS on June 15, 2012. These filings were followed by a conference on July 23, 2012 involving representatives of LGAMB and LRSI and representatives of the Tax Exempt Organizations Division of the National Office of the IRS. Thereafter, on August 31, 2012, in response to a request from the IRS for additional information in connection with the pending review of the exemption applications, LGAMB and LRSI provided the IRS with additional supporting information.

LGAMB and LRSI received tax-exempt status as described in Internal Revenue Code (IRC) Section 501(c)(3) on December 12, 2012 and December 21, 2012, respectively.

LG follows generally accepted accounting principles (GAAP) for uncertainties in income tax positions. Notwithstanding that management believed the IRS's determinations to be incorrect and that LGAMB and LRSI were entitled to tax-exemption, because of the IRS's issuance of the May 18, 2012 letters, LG made accruals for uncertain tax positions relating to LGAMB and LRSI as of June 30, 2012. After receipt of the tax-exempt letters in December 2012, those accruals were reversed.

The following table summarizes the activity related to LG's accrued uncertain tax positions as a result of LGAMB's and LRSI's receipt of the May 2012 and December 2012 letters from the IRS:

Uncertain tax positions, June 30, 2011	$ -
Changes to tax positions related to the current year	3,450
Changes to tax positions of prior years	6,560
Uncertain tax positions, June 30, 2012	$ 10,010
Reversal of uncertain tax position	10,010
Uncertain tax positions, June 30, 2013	$ -

LG accrues interest and penalties related to income tax matters as a part of the provision for income taxes. LG accrued interest and penalties of $2,083 as of June 30, 2012 as a result of the IRS's May 18, 2012 letters. The amount of the unrecognized tax benefit, if recognized, would reduce LG's effective tax rate in the year of recognition. After receipt of the tax-exempt letters in December 2012, the accrued interest and penalties were reversed.

The tax years subject to examination by the IRS and the Commonwealth of Pennsylvania for LG and its affiliates, except for LGAMB and LRSI, are 2010 through 2012 and for LGAMB and LRSI are 2006 through 2012.

Reclassifications
Certain amounts in the prior year have been reclassified to conform to the current year presentation.

During 2012, the Hospital recorded Operating Room ("OR") medical surgical supply purchases directly as an expense at the time of purchase rather than capitalizing as inventory. There was no physical inventory taken as of June 30, 2012; therefore, the amount that should have been capitalized as of June 30, 2012 is

(in thousands of dollars)

not available. An out of period correction of $7,579, which is the OR inventory balance as of June 30, 2013, has been recorded during the year ended June 30, 2013. Management believes that the impact of the adjustment is not material to either the 2013 or 2012 financial statements.

Recent Accounting Pronouncement Adopted
Effective July 2012 LG adopted the provisions of ASU 2011-04, "Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS," including an amendment to ASC 820, "Fair Value Measurements." ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. This update includes amendments that clarify the FASB's intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The adoption of ASU 2011-04 had no effect on LG's Combined Balance Sheets and Statements of Operations and Changes in Net Assets.

Effective July 2012, LG adopted the provisions of ASU 2011-07 "Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities", which applies to health care entities that recognize a significant amount of patient service revenue at the time services are rendered even though the entities do not assess a patient's ability to pay. This ASU requires health care entities to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue on the face of the Combined Statements of Operations and Changes in Net Assets. The adoption of this ASU was made retrospectively; therefore the provision for bad debts for the prior period was reclassified to conform to the new presentation.

NOTE C - COMMUNITY CARE

A portion of LG's overall operating expense relates to costs incurred in providing and meeting certain community needs. A standard reporting and accountability process is utilized to estimate the net cost of these services. Costs reported are net of payer reimbursement and contributions or grants that have been provided to LG and designated for these purposes. The level of community care provided as identified in accordance with LG's accounting policies is as follows:

Charitable services	2013	2012
Unpaid cost of state programs to the financially disadvantaged (e.g., Medicaid)	$ 66,906	$ 70,706
Unpaid cost of services to other financially disadvantaged persons	11,789	9,205
Other community services		
Unpaid cost of education programs	10,427	7,631
Cost of other community services	8,922	6,122
Total community care at cost	$ 98,044	$ 93,664

NOTE D - NET PATIENT SERVICE REVENUE

LG has agreements with third-party payors that provide for payments at amounts different from established charges. Hospital inpatient acute care services and outpatient services for Medicare and Medicaid program beneficiaries are paid at prospectively determined rates per inpatient discharge or outpatient visit. These payments vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Certain services for Medicare beneficiaries are paid based on a cost reimbursement methodology, subject to certain limitations. These services are paid at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the programs' fiscal intermediary. Provisions for estimated adjustments resulting from audit and final settlements have been recorded. Differences between

the estimated adjustments and the amounts settled are recorded in the year of settlement. Fiscal intermediaries have not audited the cost report for LGH for the years ended June 30, 2013 and 2012. The years ended June 30, 2011, 2010, 2009, and 2008 have been audited but not finalized.

In the opinion of management, adequate provision has been made for adjustments that may result from the final settlement of cost reports and other adjustments. The consolidated financial statements include a increase (decrease) to net patient service revenue related to the settlement and/or adjustments of the prior-year cost reports and other third-party settlement estimates of approximately $1,643 and ($1,356), for the years ended June 30, 2013 and 2012, respectively.

Revenues from Medicare and Medicaid programs collectively accounted for approximately 39% and 36% of net patient service revenues for each of the years ended June 30, 2013 and 2012. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Management believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretations as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

In December 2010, the Department of Public Welfare (DPW) received approval from the Centers of Medicare and Medicaid Services (CMS) for the Pennsylvania state plan amendments pursuant to Pennsylvania Act 49 of 2010 that, among other things, established a new inpatient hospital fee-for-service payment system (using APRDRG), established enhanced hospital payments through the state's Medical Assistance (MA) managed care program, and secured additional matching Medicaid funds through the establishment of the Quality Care Assessment. In February 2011, the DPW received the approvals necessary from CMS and the final technical language from the DPW contracts with managed care organizations. The Hospital and Healthcare Association of Pennsylvania issued hospital-specific impacts of the MA payment modernization for the years ended June 30, 2013 and 2012. LG has recorded the results in net patient revenue in the consolidated statement of operations and changes in net assets for the years ended June 30, 2013 and 2012.

LG has also entered into payment agreements with certain commercial third-party payors and administrators. The basis for payments under these agreements includes prospectively determined rates per discharge, per diems and discounts from established charges. Certain agreements have retrospective clauses allowing the payer to review and adjust claims subsequent to initial payment.

(in thousands of dollars)

The following table summarizes net patient service revenue for the years ended June 30, 2013 and 2012:

	June 30, 2013				
	Medicare	Medicaid	Other	Uninsured	Total
Gross Charges	$ 1,058,096	$ 265,406	$ 805,924	$ 57,202	$ 2,186,628
Deductions	(753,356)	(215,952)	(254,572)	(48,447)	(1,272,327)
Provision for bad debts					(41,425)
Net patient service revenue, less provisions for bad debt					$ 872,876

	June 30, 2012				
	Medicare	Medicaid	Other	Uninsured	Total
Gross Charges	$ 1,041,563	$ 256,113	$ 801,918	$ 45,404	$ 2,144,998
Deductions	(745,587)	(208,653)	(247,177)	(38,034)	(1,239,451)
Provision for bad debts					(37,087)
Net patient service revenue, less provisions for bad debt					$ 868,460

NOTE E - OTHER REVENUE

The composition of other revenue is presented in the following table:

	2013	2012
Tuition	$ 16,878	$ 13,667
Cafeteria	3,999	4,187
Rental income	5,329	5,957
Other	4,811	3,170
	$ 31,017	$ 26,981

NOTE F – OPERATING EXPENSES

The composition of operating expense is presented in the following table:

	2013	2012
Salaries and benefits	$ 508,130	$ 485,491
Medical and surgical supplies	131,114	138,426
Purchased services	60,542	61,077
Other	132,218	139,305
	$ 832,004	$ 824,299

(in thousands of dollars)

NOTE G - INVESTMENTS AND ASSETS LIMITED AS TO USE

The composition of investments is presented in the following table:

	2013	2012
Money Market Funds	$ 16,669	$ 27,239
Equity		
Domestic	86,061	81,584
Mutual Funds		
Domestic	87,196	56,513
International	59,097	42,330
Fixed income	720	722
Government securities	114,752	159,285
Fixed income		
Domestic	198,913	162,050
International	1,463	1,859
Common collective funds		
Equity - domestic	4,050	670
Equity - international	35,281	23,945
Fixed Income	88,608	76,817
Alternative strategies		
Real Assets	54,451	42,443
Absolute Return	27,695	23,607
Venture Capital	11,095	8,826
Total investments	786,051	707,890
Less current portion	$ (33,794)	$ (74,858)
Total investments, net of current portion	$ 752,257	$ 633,032

The composition of assets limited as to use is presented in the following table:

	2013	2012
Money Market Funds	$ 6,437	$ 27,679
Mutual Funds		
Domestic	7,485	6,438
Government securities	274	307
Fixed income		
Domestic	734	833
Common collective funds		
Equity - domestic	282	238
Equity - international	34	30
Cash surrender value life insurance	3,290	3,114
Total investments	18,536	38,639
Less current portion	$ (6,115)	$ (4,304)
Total investments, net of current portion	$ 12,421	$ 34,335

NOTE H - FAIR VALUE MEASUREMENTS

LG measures fair value as the price that would be received to sell an asset or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date. The accounting guidance outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures.

The Standards also provide an option to report selected financial assets and liabilities at fair value and establish presentation and disclosure requirements. The fair value option permits LG to elect to measure eligible items at fair value on an instrument-by-instrument basis and then report the unrealized gains and losses for those items in LG's revenue, and other income over expenses. LG has chosen to record all of its investments under the fair value option permitted under these standards.

The fair value hierarchy is broken down into three levels based on the source of inputs: Level 1 - defined as observable inputs such as quoted prices in active markets; Level 2 - defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 - defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

In determining fair value, LG uses the market approach, which utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurements as well as the ability to access funds within 90 days from the measurement date.

(in thousands of dollars)

The following fair value hierarchy table presents information about each major category of LG's financial assets and liabilities measured at fair value on a recurring basis as of:

Description	Level 1	Level 2	Level 3	Total
June 30, 2013				
Money Market Funds	$ -	$ 23,106	$ -	$ 23,106
Equity				
Domestic	86,061	-	-	86,061
Mutual Funds				
Domestic	94,681	-	-	94,681
International	59,097	-	-	59,097
Fixed Income	720	-	-	720
Government securities	-	115,026	-	115,026
Fixed income				
Domestic	-	199,647	-	199,647
International	-	1,463	-	1,463
Common collective funds				
Equity - domestic	1,685	-	2,647	4,332
Equity - international	165	35,150	-	35,315
Fixed income	-	88,608	-	88,608
Alternative strategies				
Real assets	-	54,451	-	54,451
Absolute return	-	13,001	14,694	27,695
Venture Capital	-	-	11,095	11,095
Cash surrender value life insurance	-	3,290	-	3,290
Beneficial interest in trusts	-	-	8,871	8,871
Total assets	$ 242,409	$ 533,742	$ 37,307	$ 813,458
Interest rate swap	$ -	$ 5,738	$ -	$ 5,738
Total liabilities	$ -	$ 5,738	$ -	$ 5,738

(in thousands of dollars)

Description	Level 1	Level 2	Level 3	Total
June 30, 2012				
Money Market Funds	$ -	$ 54,918	$ -	$ 54,918
Equity				
Domestic	81,584	-	-	81,584
Mutual Funds				
Domestic	62,951	-	-	62,951
International	42,330	-	-	42,330
Fixed Income	722	-	-	722
Government securities	-	159,592	-	159,592
Fixed income				
Domestic	-	162,883	-	162,883
International	-	1,859	-	1,859
Common collective funds				
Equity - domestic	908	-	-	908
Equity - international	128	23,847	-	23,975
Fixed income	-	76,817	-	76,817
Alternative strategies				
Real assets	-	42,443	-	42,443
Absolute return	-	11,668	11,939	23,607
Venture Capital	-	-	8,826	8,826
Cash surrender value life insurance	-	3,114	-	3,114
Beneficial interest in trusts	-	-	8,533	8,533
Total assets	$ 188,623	$ 537,141	$ 29,298	$ 755,062
Interest rate swap	$ -	$ 8,734	$ -	$ 8,734
Total liabilities	$ -	$ 8,734	$ -	$ 8,734

There were no transfers between fair value Levels 1 and 2 for the years ended June 30, 2013 and 2012.

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30, 2013 are as follows:

Category		Fair value	Redemption frequency	Redemption notice period	Lock period
Common collective trusts:					
Domestic equity fund	(a)	3,272	N/A	65-95 days	N/A
International equity fund	(b)	35,150	N/A	30 days	N/A
Alternative Strategies					
Real asset					
Strategy fund	(c)	27,330	Monthly	Less than 30 days	N/A
Diversified inflation fund	(d)	26,841	Monthly	10 days	N/A
Absolute return					
Diversified non-taxable offshore fund	(e)	14,694	Semi-annually	95 days	N/A
Financial instrument and debt fund	(f)	13,001	Quarterly	65 days	N/A

(in thousands of dollars)

Fair value measurements of investments in certain entities that calculate net asset value per share (or its equivalent) as of June 30, 2012 are as follows:

Category		Fair value	Redemption frequency	Redemption notice period	Lock period
Common collective trusts:					
International equity fund	(b)	23,847	N/A	30 days	N/A
Alternative Strategies					
Real asset					
Strategy fund	(b)	21,508	Monthly	Less than 30 days	N/A
Diversified inflation fund	(d)	20,697	Monthly	10 days	N/A
Absolute Return					
Diversified non-taxable offshore fund	(e)	11,939	Semi-annually	95 days	N/A
Financial instrument and debt fund	(f)	11,668	Quarterly	65 days	N/A

(a) *Domestic equity fund*. Holdings in this category invest in marketable domestic United States equity funds.

(b) *International equity fund*. Holdings in this category invest in marketable international equity funds excluding the United States.

(c) *Real asset strategy fund*. Holdings in this category invest in various collective fund-of-funds focusing on global real-estate investment trusts, domestic and foreign securities, U.S. government obligations, emerging market equities and commodity funds.

(d) *Real asset diversified inflation fund*. Holdings in this category include swap and future contracts, inflation protected securities and marketable fixed income and international equity funds.

(e) *Absolute return diversified non-taxable offshore fund*. Investments in this fund focus on multi-strategy investing including, but not limited to, a variety of investee funds with investment strategies in limited partnerships, private-equity, commodity funds and managed foreign currency futures.

(f) *Absolute return financial instrument and debt fund*. This fund's investments include any interest in or vehicle relating to foreign financial instruments and the debt of financially distressed and/or highly leveraged companies. Fund strategies include, but are not limited to, fixed income arbitrage, convertible securities, managed futures and event-driven funds that attempt to capitalize on situations such as spin-offs, recapitalizations and asset sales.

LG has unfunded commitments of $828 and $12,339 to Sante' Health Ventures I, LP and $12,919 and $13,441 to Sante' Health Ventures II, LP as of June 30, 2013 and 2012, respectively. There are no other unfunded commitments as of June 30, 2013 and 2012.

(in thousands of dollars)

The following table presents additional information regarding assets and liabilities measured at fair value on a recurring basis and for which LG has utilized Level 3 inputs to determine fair value for the year ended June 30, 2013 and 2012:

	Total
Balance, June 30, 2011	$ 39,506
Transfers to Level 2 (a)	(12,109)
Purchases	2,772
Deconsolidation of affiliate	(193)
Net unrealized gain (losses)	(678)
Balance, June 30, 2012	29,298
Purchases	6,804
Net unrealized gains (losses)	1,205
Balance, June 30, 2013	$ 37,307

NOTE I - PROPERTY, PLANT AND EQUIPMENT

	Range of useful lives	2013	2012
Land		$ 34,540	$ 34,563
Land improvements	10 to 25 years	15,678	14,614
Equipment	5 to 20 years	555,624	531,235
Buildings and building improvements	25 to 40 years	392,077	383,816
Construction in progress		75,582	33,991
		1,073,501	998,219
Less accumulated depreciation and amortization		(567,710)	(520,813)
		$ 505,791	$ 477,406

Total depreciation and amortization expense for property, plant and equipment for the years ended June 30, 2013 and 2012 was $51,251 and $54,255, respectively.

Construction in progress relates to building renovations and construction, information systems and medical equipment. At June 30, 2013, LGH has commitments for these projects of $5,312.

The following equipment is held under capital lease and is included in the equipment category of property, plant and equipment:

	2013	2012
Equipment	$ 14,128	$ 12,198
Less accumulated amortization	(5,670)	(3,432)
	$ 8,458	$ 8,766

(in thousands of dollars)

NOTE J - LONG-TERM DEBT

Long-term debt consists of the following:	June 30, 2013	2012
Bonds payable - $25,250, Hospital Revenue Bonds, Series 2012A, with annual payments beginning on July 1, 2014 ranging from $550 to $1,400 through 2042, with interest rates varying monthly.	$ 25,250	$ 25,250
Bonds payable - $93,755, Hospital Revenue Bonds, Series 2012B, with annual principal payments beginning on July 1, 2013 ranging from $760 to $10,165 through 2043, with interest rate varying from 2.0% to 5.0% due on January 1 and July 1. Amounts include original issue net premium of $4,066 and $4,698 at June 30, 2013 and June 30, 2012, respectively.	97,821	98,453
Bonds payable - $96,825, Hospital Revenue Bonds, Series 2007, with principal payments beginning on March 15, 2019 ranging from $3,480 to $7,760 through 2036 with interest rates varying from 4.25% to 5.0% due on March 15 and September 15. Amounts include original issue premium of $2,215 and $2,030 at June 30, 2013 and 2012, respectively.	99,039	98,855
Bond payable - $15,945, GE Capital Public Finance, Inc., with monthly principal and interest payments of $182 through July 2012 with a fixed interest rate of 4.12% due monthly.	-	182
Bonds payable - $45,055, Hospital Revenue Bonds, Series 1998, insured by AMBAC Assurance Corporation, with a remaining principal payment on July 1, 2012 of $4,150, with an interest rate of 5.0%.	-	4,150
Note payable, collateralized by MRI accounts receivable, inventory, and equipment, matures September 2018, in monthly installments of $20 including interest at a fixed rate of 5.8% through March 2018, then at LIBOR plus 1.5% through September 2018 (1.69% and 1.74% at June 30, 2013 and 2012, respectively).	1,075	1,245
Note payable, collateralized by MRI accounts receivable, inventory, and equipment, matures April 2013, principal at various amounts and interest are paid monthly at LIBOR plus 1.5% (1.74% at June 30, 2012)	-	201
Note payable LGCNHS, collateralized by the Hospital, matures July 2015, monthly principal of $6 and interest at LIBOR plus 1.15% (1.34% and 1.39% at June 30, 2013 and 2012, respectively).	1,169	1,244
Note payable THG, on behalf of physician, matures June 2013, principle due at maturity with monthly interest at LIBOR plus 2.5% (2.74% at June 30, 2012).	-	20
Capital lease obligations, with various interest rates, secured by leased equipment. Amounts included original issue discount of $7 and $10 at June 30, 2013 and 2012, respectively.	$ 6,153	$ 6,264
	230,507	235,864
Less current portion	(7,108)	(7,229)
	$ 223,399	$ 228,635

(in thousands of dollars)

Proceeds from the revenue bonds and notes payable were used to finance various capital and information technology projects, as well as refinancing of previously existing long-term debt.

In June 2012, LGH issued $25,250 variable rate Series 2012A revenue bonds and $93,755 fixed rate Series 2012B revenue bonds through Lancaster County Hospital Authority. The proceeds from the Series 2012A bonds were used to refund a portion of the Series 2008 bonds and the Series 2012B bonds were used to refund a portion of the Series 2008, Series 2010 and Series 2011 bonds and a portion to be used for future construction projects. The early extinguishments of the Series 2008, 2010 and 2011 bonds resulted in a loss of $550 for the year ended June 30, 2012, which consisted of the write off of unamortized deferred financing costs and is included in depreciation and amortization in the consolidated statements of operations and changes in net assets.

Covenants under the Master Trust Indenture for the bonds include requirements as to the permitted level of indebtedness, restrictions on the sale of certain assets, mergers, and other significant transactions, including a requirement that the Obligated Group (The Hospital and Lancaster General Health - Parent Only) generate funds available for debt service (as defined) equivalent to at least 110% of maximum annual debt service. At June 30, 2013 and 2012, the Obligated Group is in compliance with all financial covenants related to the bonds.

LG uses current quoted market prices in estimating the fair value of its Revenue Bonds (Level 2). The carrying value of the other long-term debt approximates fair value. The fair value of LG's long-term debt, excluding capital lease obligations, at June 30, 2013 and 2012 is $216,876 and $233,031, respectively.

Annual maturities of long-term debt and capital leases (net of bond and lease premium of $6,288) are as follows:

2014	$ 7,108
2015	5,951
2016	6,579
2017	5,341
2018	5,185
Thereafter	194,055
	$224,219

NOTE K - LETTERS AND LINES OF CREDIT

LG maintains various letters of credit totaling $22,163 at June 30, 2013 to cover balances due on construction projects and reinsurance agreements. No amounts are outstanding under the letters of credit at June 30, 2013.

The College maintains a $1,500 line of credit with a bank, which may be used for various items. The interest rate is LIBOR plus 1.75 percent. No amounts were outstanding at June 30, 2013.

MRI maintains a demand note payable to a bank which remains open for advances up to the sum of $1,000. The interest rate is LIBOR plus 2.50 percent. No amounts were outstanding at June 30, 2013.

(in thousands of dollars)

NOTE L - DERIVATIVE FINANCIAL INSTRUMENTS

LG has an interest rate swap agreement to manage its risk relating to the changes in cash flow associated with a portion of its variable rate debt. LG does not use derivative financial instruments for trading or speculative purposes. The interest rate swap allows LG to raise long-term borrowings at variable rates and effectively swap the rates into a fixed rate that is lower than that available to LG if fixed-rate borrowings were made directly.

Under the interest rate swap, LG agrees to exchange monthly the difference between fixed rate and variable rate interest amounts calculated by reference to the agreed notional amount.

The following table indicates the terms of the interest rate swap and the weighted-average interest rate. The variable rate is based on rates implied in the yield curve at the reporting date; those may change significantly, affecting future cash flows:

Fixed swap - notional amount	$ 25,000
Fixed rate	3.98%
Variable rate at June 30, 2013	0.14%
Variable rate at June 30, 2012	0.17%
Maturity date	July 1, 2041

The change in the fair value of LG's interest rate swap is comprised of a (decrease) in the liability of ($2,996) and interest expense paid of $929 for the year ended June 30, 2013 and an increase in the liability of $4,339 and interest expense paid of $956 for the year ended June 30, 2012. The change is included in other income (loss) as a component of excess of revenues and other income over expenses in the consolidated statements of operations and changes in net assets. At June 30, 2013 and 2012, the fair value of the interest rate swap represented a liability of $5,738 and $8,734, respectively.

LG has established policies and procedures to limit the potential for counterparty credit risk, including establishing limits for credit exposure and continually assessing the creditworthiness of counterparties. As a matter of practice, LG will enter into transactions only with counterparties whose obligations are rated "A-" or above as rated by Standard & Poor's, or "A3" or above as rated by Moody's.

LG's exposure to credit risk, associated with its interest rate swap, is measured on an individual counterparty basis, as well as by groups of counterparties that share similar attributes. In the opinion of management as of June 30, 2013 and 2012, LG was not exposed to any risk of loss.

NOTE M - PENSION PLANS

Lancaster General Health has a defined benefit noncontributory pension plan (Pension benefits) covering all eligible employees of Lancaster General Health and its controlled affiliates. Certain related entities controlled by Lancaster General Health make annual contributions to the plan to the extent permitted under applicable federal regulations. The plan was amended to freeze benefit accruals for all participants effective June 30, 2013.

Lancaster General Health has an unfunded defined contribution supplemental executive retirement plan (SERP) and a postretirement welfare plan for the benefit of certain employees. Lancaster General Health makes annual contributions to the plans to the extent permitted under applicable federal regulations.

Lancaster General Health uses a June 30 measurement date for the Pension, SERP, and post retirement welfare plan. The following table summarizes information about the Pension, SERP and post retirement welfare plan.

(in thousands of dollars)

	June 30, 2013		
	Pension	SERP	Post Retirement
Changes in benefit obligations			
Projected benefit obligations, beginning of year	$ 713,821	$ 11,946	$ 1,167
Service cost	24,008	-	-
Interest cost	34,178	579	55
Plan amendments	-	-	-
Actuarial (gain) loss	(48,775)	1,550	(59)
Benefits paid	(16,567)	(401)	(46)
Liability (gain)/loss due to curtailment	(69,666)	-	-
Project benefit obligations, end of year	$ 636,999	$ 13,674	$ 1,117
Changes in plan assets			
Fair value of plan assets, beginning of year	$ 422,522	$ -	$ -
Actual return on plan assets	36,729	-	-
Employer contributions	31,381	401	46
Benefits paid	(16,567)	(401)	(46)
Fair value of plan assets, end of year	$ 474,065	$ -	$ -
Funded status of plan at end or year-recognized in consolidated balance sheets as accrued pension liability:	$ (162,934)	$ (13,674)	$ (1,117)
Accumulated benefit obligation	$ 636,999	$ 11,715	$ -
Amounts recognized in the unrestricted net assets consist of:			
Actuarial loss	$ 190,343	$ 4,294	$ 555
Prior service credit recognition	-	-	(2,112)
	$ 190,343	$ 4,294	$ (1,557)
Amounts expected to be recognized in net periodic benefit cost in the following year:			
Actuarial loss recognition	$ 11,781	$ 488	$ -
Prior service credit	-	-	-
	$ 11,781	$ 488	$ -
Components of net periodic benefit cost			
Service cost	$ 24,008	$ -	$ -
Interest cost	34,178	579	55
Expected return on assets	(33,090)	-	-
Amortization of unrecognized prior service credit	(441)	240	(148)
Amortization of unrecognized net actuarial loss	23,889	386	35
Net Periodic benefit cost	$ 48,544	$ 1,205	$ (58)
Settlement/Curtailment Expense/(Income)	(4,088)	-	-
Total ASC 715 Expense/(Income)	$ 44,456	$ 1,205	$ (58)

Continued on next page

(in thousands of dollars)

	June 30, 2013		
	Pension	SERP	Post Retirement
Other changes in pension liability recognized in unrestricted net assets consist of:			
Net actuarial loss (gain)	$ (122,080)	$ 1,550	$ (59)
Prior service credit	4,530	-	147
Amortization of prior service credit	-	(240)	(35)
Amortization of net actuarial loss	(23,889)	(386)	-
	$ (141,439)	$ 924	$ 53
Total recognized in net benefit cost and other changes in pension liability recognized in unrestricted net assets	$ (92,895)	$ 2,129	$ (4)

	June 30, 2012		
	Pension	SERP	Post Retirement
Changes in benefit obligations			
Projected benefit obligations, beginning of year	$ 561,418	$ 10,231	$ 2,629
Service cost	18,914	-	110
Interest cost	32,719	594	153
Plan amendments	(1,082)	-	(2,260)
Actuarial (gain) loss	116,522	1,534	557
Benefits paid	(14,670)	(413)	(23)
Project benefit obligations, end of year	$ 713,821	$ 11,946	$ 1,166
Changes in plan assets			
Fair value of plan assets, beginning of year	$ 398,032	$ -	$ -
Actual return on plan assets	(11,650)	-	-
Employer contributions	50,810	413	23
Benefits paid	(14,670)	(413)	(23)
Fair value of plan assets, end of year	$ 422,522	$ -	$ -
Funded status of plan at end or year-recognized in consolidated balance sheets as accrued pension liability:	$ (291,299)	$ (11,946)	$ (1,166)
Accumulated benefit obligation	$ 636,181	$ 10,484	$ -
Amounts recognized in the unrestricted net assets consist of:			
Actuarial loss	$ 335,922	$ 3,130	$ 648
Prior service credit recognition	(4,529)	240	(2,260)
	$ 331,393	$ 3,370	$ (1,612)

Continued on next page

(in thousands of dollars)

	June 30, 2012		
	Pension	SERP	Post Retirement
Amounts expected to be recognized in net periodic benefit cost in the following year:			
Actuarial loss recognition	$ 23,889	$ 3,130	$ 648
Prior service credit	(441)	240	(2,260)
	$ 23,448	$ 3,370	$ (1,612)
Components of net periodic benefit cost			
Service cost	$ 18,914	$ -	$ 110
Interest cost	32,719	594	153
Expected return on assets	(30,234)	-	-
Amortization of unrecognized prior service credit	(344)	240	(655)
Amortization of unrecognized net actuarial loss	11,606	168	-
Settlement income	$ -	$ -	$ (1,987)
Net Periodic benefit cost	$ 32,661	$ 1,002	$ (2,379)
Other changes in pension liability recognized in unrestricted net assets consist of:			
Net actuarial loss (gain)	$ 158,407	$ 1,534	$ 557
Prior service credit	(1,082)	-	(2,259)
Amortization of prior service credit	344	(240)	2,622
Amortization of net actuarial loss	(11,606)	(169)	-
	$ 146,063	$ 1,125	$ 920
Total recognized in net benefit cost and other changes in pension liability recognized in unrestricted net assets	$ 178,724	$ 2,127	$ (1,459)
Estimated future benefit payments			
2013	$ 15,496	$ 960	$ 59
2014	20,088	698	65
2015	22,539	675	67
2016	25,025	936	69
2017	27,554	558	72
2018-2022	185,655	3,647	385
	$ 296,357	$ 7,474	$ 717

	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Weighted-average assumptions used to determine net periodic benefit cost				
Discount rate	4.84%	5.90%	4.84%	5.90%
Expected long-term return on plan assets	7.50%	7.50%	N/A	N/A
Rate of compensation increase	3.00%	3.00%	3.00%	3.00%

To develop the expected long-term rate of return on the pension plan assets assumption, Lancaster General Health considered the historical returns and the future expectations for returns for each asset class, as well as the target allocation of the pension portfolio. This resulted in the selection of the 7.50% expected return on plan assets for the years ended June 30, 2013 and 2012, respectively.

(in thousands of dollars)

Plan Assets

The pension plan's target asset allocations, by asset category, are as follows:

Asset category	Target asset allocation
Domestic equity	20-30%
Non-U.S. equity	14-20%
Fixed income	32-48%
Real assets	10-14%
Absolute return	5-7%

Management and the Investment Subcommittee of the Board of Trustees monitor plan assets and maintain plan assets as close as practical to target allocations. The Investment Subcommittee approved the actual allocation being outside the targeted levels during the fiscal year based on the market conditions.

The investment policy and strategy for the pension plan assets has established guidelines for an asset mix that provides long-term capital appreciation with a secondary objective of moderate income generation. The guidelines are designed to reduce volatility, by allocating assets in varying amounts among equities, fixed income, commodities, absolute return and cash equivalents.

Fair Value of the Plan Assets

The following fair value hierarchy table presents information about each major category of the plan's financial assets measured at fair value on a recurring basis, using the market approach, and actual weighted-average asset allocation, as of June 30:

Description June 30, 2013	Total	Level 1	Level 2	Level 3	Asset Allocation
Money market fund	$ 15,325	$ -	$ 15,325	$ -	3%
Government securities	18,329	-	18,329	-	4%
Fixed income	73,861	-	73,861	-	16%
Equities	64,221	64,221	-	-	14%
Mutual funds					
Domestic	82,875	82,875	-	-	18%
International	52,858	52,858	-	-	11%
Common collective funds					
Fixed income	67,626	-	67,626	-	14%
Equity funds-international	30,441	-	30,441	-	6%
Alternative strategies					
Real asset	42,481	-	42,481	-	9%
Absolute return	26,048	-	13,020	13,028	5%
Total assets	$ 474,065	$ 199,954	$ 261,083	$ 13,028	100%

(in thousands of dollars)

Description June 30, 2012	Total	Level 1	Level 2	Level 3	Asset Allocation
Money market fund	$ 49,502	$ -	$ 49,502	$ -	12%
Government securities	16,353	-	16,353	-	4%
Fixed income	39,766	-	39,766	-	9%
Equities	68,091	68,091	-	-	16%
Mutual funds					
Domestic	51,448	51,448	-	-	13%
International	44,243	44,243	-	-	10%
Common collective funds					
Fixed income	59,800	-	59,800	-	14%
Equity funds-international	26,867	-	26,867	-	6%
Alternative strategies					
Real asset	42,871	-	42,871	-	10%
Absolute return	23,581	-	-	23,581	6%
Total assets	$ 422,522	$ 163,782	$ 235,159	$ 23,581	100%

The following table presents additional information about assets measured at fair value on a recurring basis and for which Lancaster General Health has utilized Level 3 inputs to determine fair value for the year ended June 30:

Balance, June 30, 2011	$ 24,091
Purchases	-
Net unrealized gain (loss)	(510)
Balance, June 30, 2012	23,581
Purchases	-
Transfer from Level 3 to Level 2	(11,686)
Net unrealized gain (loss)	1,133
Balance, June 30, 2013	$ 13,028

Amounts transferred from Level 3 to Level 2 due to lock-up period less than a year.

Cash Flows (Unaudited)

Contributions

LG expects to contribute $40,000 to the Pension benefits and $843 for the Other benefits during fiscal year 2014.

Estimated Future Benefit Payments

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

(in thousands of dollars)

	June 30, 2013		
	Pension	SERP	Post Retirement
2014	$ 17,860	$ 781	$ 62
2015	20,264	1,247	65
2016	22,856	570	67
2017	25,427	483	70
2018	28,113	485	72
2019 - 2023	187,860	5,056	387
	$ 302,380	$ 8,622	$ 723

LG is a contributing employer to a defined contribution plan under 403(b) of the Internal Revenue Code. For those employees hired between March 29, 2008 and December 31, 2010, LG has an employer matching contribution equal to 100% of the first 3% contributed to the Plan for participants who elected this option. For those hired after December 31, 2010, LG has an employer matching contribution equal to 50% on the first 6% plus a 2% employer basic contribution. Total expenses under these plans for the years ended June 30, 2013 and 2012 were $6,352 and $5,225, respectively.

MRI has a 401(k) plan for its eligible employees to contribute to their respective retirement accounts. Total expense under the plan for the years ended June 30, 2013 and 2012, was $46 and $35, respectively.

LG provides an unfunded defined contribution supplemental executive retirement plan (SERP) for the benefit of certain employees. Employer contributions for the years ended June 30, 2013 and 2012 were approximately $816 and $768, respectively.

NOTE N - MALPRACTICE AND GENERAL LIABILITY INSURANCE

All LG entities are insured through a self-insured malpractice insurance program with Lancaster General Insurance Company, Ltd. (LGI), Lancaster General Health's wholly owned captive insurance company, except for certain employed physicians, who are commercially insured. The Hospital, LGMG and employed physicians participate in the Medical Care Availability and Reduction of Error (MCARE) Fund. LG is self-insured up to certain amounts, including excess coverage for professional liability losses. In addition, LG obtains excess coverage from the MCARE Fund and other commercial carriers.

The MCARE Act was enacted by the legislature of the Commonwealth of Pennsylvania (Commonwealth) in 2002. This Act created the MCARE Fund, which replaced The Pennsylvania Medical Professional Liability Catastrophe Loss Fund (the Medical CAT Fund), as the agency for the Commonwealth to facilitate the payment of medical malpractice claims exceeding the primary layer of professional liability insurance carried by LG and other health care providers practicing in the Commonwealth.

The MCARE Fund is funded on a "pay as you go basis" and assesses health care providers, based on a percentage of the rates established by the Joint Underwriting Association (also a Commonwealth agency) for basic coverage. The MCARE Act of 2002 provides for a further reduction to the current MCARE coverage of $500 per occurrence to $250 per occurrence and the eventual phase-out of the MCARE Fund, subject to the approval of the Pennsylvania Insurance Commissioner. To date, the Pennsylvania Insurance Commissioner has deferred the change in coverage and eventual phase-out of the MCARE Fund to future years.

Professional and general liability indemnity losses and loss adjustment expenses are determined using individual case-based evaluations and statistical analyses and represent an estimate of reported claims and claims incurred but not reported. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates, management believes that

(in thousands of dollars)

the reserves for professional and general liability losses and loss adjustment expenses are reasonable. The estimates are reviewed and adjusted as necessary as experience develops or new information becomes known. Such adjustments are included in current operations. Professional and general liability incurred but not reported losses and loss adjustment expenses of $5,132 and $4,805 were recorded as of June 30, 2013, and 2012, respectively, and are included in other long-term liabilities in the consolidated balance sheets. The liability for reported claims and adverse claims development recorded on LGI in other current liabilities were $2,831 and $2,345 as of June 30, 2013 and 2012, respectively. The remaining $32,003 and $29,154 was included in other long-term liabilities as of June 30, 2013 and 2012, respectively. A self-insurance trust is maintained in amounts equal to periodic estimates of losses and expenses to be incurred, as a component of assets limited as to use.

NOTE O - LEASES

LG leases certain buildings, equipment, and vehicles under operating lease agreements with initial terms expiring at various dates through fiscal year 2028. In addition, the leases generally contain renewal options that give LG the right to extend the leases for varying additional periods. Rental expense under operating leases for the years ended June 30, 2013 and 2012 was $9,296 and $9,766, respectively.

Future minimum rental payments are as follows for the years ended June 30:

2014	$	7,030
2015		5,718
2016		4,978
2017		4,460
2018		2,831
Thereafter		14,125
	$	39,142

LG acts as lessor for certain office space under operating lease agreements with initial lease terms expiring at various dates through fiscal year 2062. In addition, the leases generally contain renewal options that give the lessee the right to extend the leases for varying additional periods. Rental revenue under operating leases where LG acts as lessor for the years ended June 30, 2013 and 2012 was $3,585 and $3,534, respectively, and is classified as other revenue in the consolidated statements of operations and changes in net assets.

2014	$	2,941
2015		2,256
2016		1,898
2017		1,407
2018		1,201
Thereafter		4,280
	$	13,983

NOTE P - INVESTMENTS IN NON-CONSOLIDATED AFFILIATES

LG and its controlled affiliates and subsidiaries participate in the following joint ventures, which are accounted for under the equity method of accounting. LG does not maintain significant influence over the joint ventures.

The Hospital has a 50% interest in Lancaster Emergency Medical Services Association (LEMSA), a nonprofit corporation providing emergency medical services and medical transportation to persons in the general area of Lancaster County, Pennsylvania. The investment at June 30, 2013 and 2012 was $3,587 and $3,174, respectively.

The Hospital has a 20% interest in Central Pennsylvania Alliance Laboratory, LLP, a limited liability partnership providing lab services to member hospitals located in the central Pennsylvania area. The investment at June 30, 2013 and 2012 was $350 and $350, respectively.

The Hospital has a 20% interest in Quest Behavioral Health, Inc., a not-for-profit corporation, which is a central Pennsylvania behavioral health managed care plan for employers and health plans. The investment at June 30, 2013 and 2012 was $44 and $14, respectively.

The Hospital has a 49.5% interest in The NeuroSpine Center, LP, a limited partnership, conducting business in the operation of an ambulatory surgical center in Lancaster, Pennsylvania. The investment at June 30, 2013 and 2012 was $166 and $153, respectively.

The Hospital has a 50% interest in The Neurological Surgery Center of LNSA, LLC, a limited liability company, operating a single-specialty ambulatory surgery center for neurosurgery services located in Lancaster, Pennsylvania. The investment at June 30, 2013 and 2012 was $0.

LGAMB has a 50% interest in Physicians' Surgery Center Lancaster General, LLC, a limited liability company formed to own and operate an ambulatory surgery center. The investment at June 30, 2013 and 2012 was $3,072 and $3,262, respectively.

LGRSI has a 50% interest in Lancaster Rehabilitation Hospital, LLP, a Delaware limited liability partnership formed to own and operate a rehabilitation hospital. The investment at June 30, 2013 and 2012 was $0.

Lancaster General Health has a 50% interest in Preferred Health Care, a taxable entity providing management and marketing services. The investment at June 30, 2013 and 2012 was $573 and $540, respectively.

Through December 31, 2011, Lancaster General Health held a 50% interest in VNA. On that date, Lancaster General Health sold a portion of their interest in VNA thereby reducing their ownership interest to 44.1%. VNA is a not-for-profit community service organization providing comprehensive home healthcare to people of all ages in Lancaster, Berks, Chester, Dauphin, and Schuylkill Counties and their surrounding areas. The investment at June 30, 2013 and 2012 was $5,895 and $5,057, respectively.

LGSBT's wholly-owned subsidiary, Barge Ganse Venacare Business Trust (BGVBT), has a 25% interest in Horizon Healthcare Services, Inc. (HHS). HHS is a limited liability partnership that provides home infusion services. The investment at June 30, 2013 and 2012 was $1,405 and $1,580, respectively.

LGBST has a 50% interest in LinkEHR, LLC, a limited liability company formed to offer healthcare information technology solutions. The investment at June 30, 2013 and 2012 was $431 and $0, respectively.

The annual returns recognized, which are included in other non-operating income, net, related to the entities described above, were $10,000 and $9,357 for the years ended June 30, 2013 and 2012, respectively.

(in thousands of dollars)

NOTE Q - FUNCTIONAL EXPENSES

LG and affiliates provide general health care and educational services to residents within their geographic locations. Expenses related to providing these services are as follows:

	2013	2012
Health care services	$ 654,052	$ 580,750
Health education services	12,038	13,810
General and administrative	225,189	290,699
	$ 891,279	$ 885,259

NOTE R - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2013	2012
Health care services	$ 9,268	$ 18,093
Health education services	365	441
	$ 9,633	$ 18,534

Permanently restricted net assets are restricted to:

	2013	2012
Investments to be held in perpetuity, the income of which is temporarily restricted (reported as temporarily restricted income)	$ 5,880	$ 6,796
Beneficial interest in perpetual trusts	4,793	4,655
	$ 10,673	$ 11,451

During 2013 and 2012, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose of health care services, health care education, and purchase of property, plant and equipment in the amounts of $14,634 and $3,043, respectively.

(in thousands of dollars)

NOTE S - ENDOWMENT

Changes in restricted endowment net assets for the years ended June 30, 2013 and 2012 are as follows:

	Temporarily restricted	Permanently restricted	Total
Net assets, June 30, 2011	$ 2,415	$ 6,533	$ 8,948
Investment return			
Investment income	199	-	199
Amortization of pledges	-	15	15
Net appreciation (realized and unrealized)	75	(25)	50
Net investment return	274	(10)	264
New gifts	-	236	236
Appropriation of endowment assets for expenditure	(487)	-	(487)
Income distributed or drawn on permanently restricted endowments	(47)	-	(47)
Other (charges):	(14)	(13)	(27)
Adjustment for fair value deficiencies	(5)	-	(5)
Net assets, June 30, 2012	$ 2,136	$ 6,746	$ 8,882

	Temporarily restricted	Permanently restricted	Total
Net assets, June 30, 2012	$ 2,136	$ 6,746	$ 8,882
Effects of deconsolidation of affiliate	(123)	(1,440)	(1,563)
Investment return			
Investment income	160	-	160
Amortization of pledges	8	16	24
Net appreciation (realized and unrealized)	211	401	612
Net investment return	379	417	796
New gifts	-	108	108
Appropriation of endowment assets for expenditure	(31)	-	(31)
Income distributed or drawn on permanently restricted endowments	(60)	-	(60)
Other (charges):	(2)	-	(2)
Adjustment for fair value deficiencies	(10)	-	(10)
Net assets, June 30, 2013	$ 2,289	$ 5,831	$ 8,120

LG's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments.

As required by GAAP, net assets associated with endowment, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(in thousands of dollars)

LG operates in the Commonwealth of Pennsylvania and could elect a total return spending policy under the applicable state laws. However, LG has not adopted a total return spending policy. LG has adopted a policy of appropriating for distribution all of its endowment fund's income, which includes interest, dividends and realized gains earned. LG classifies as permanently restricted net assets the original gift donated to the permanent endowment and the original value of the subsequent gifts to the permanent endowment. This is regarded as the "historic dollar value" of the endowed fund. The remaining portion of the endowed fund that is not classified in permanently restricted net assets and is regarded as "net appreciation" is classified as temporarily restricted net assets.

From time to time, the fair value of certain donor-restricted endowment funds may fall below the level that the donor requires the organization to retain as a fund of perpetual duration. LG is not aware of any material deficiencies of this nature and is in compliance with its investment policy as of June 30, 2013. In accordance with authoritative accounting standards, deficiencies of this nature that are reported in unrestricted net assets were $0 and $10 as of June 30, 2013 and 2012, respectively.

LG has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. LG expects its endowment funds, over time, to provide an average annual rate of return that approximates market returns on similar investment portfolios. Actual returns in any given year may vary from this amount.

NOTE T - CONCENTRATION OF CREDIT RISK

LG and its affiliates grant credit without collateral to their patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors was as follows:

	2013	2012
Medicare	35%	31%
Medicaid	10	10
Commercial/HMO	39	41
Self-pay	10	10
Other	6	8
	100%	100%

LG invests a portion of its operating and board-designated cash and cash equivalents in various checking, savings, and certificates of deposit accounts with several commercial banks. Certain deposits with these banks exceeded Federal Depository Insurance limits.

NOTE U - COMMITMENTS AND CONTINGENCIES

LG has commitments for laboratory reagent purchases. At June 30, 2013, the remaining amount on these commitments is approximately $3,870, and they are expected to be completed through fiscal year 2018.

LG is involved in various legal actions, other than malpractice actions, arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on LG's consolidated financial position, results of operations or liquidity.

NOTE V - SUBSEQUENT EVENTS

LG has evaluated its June 30, 2013 consolidated financial statements for subsequent events through October 31, 2013 the date the consolidated financial statements were issued. Except as noted elsewhere, LG is not aware of any other subsequent events which require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTAL INFORMATION

Independent Auditor's Report
on Accompanying Consolidating Information

To the Audit and Compliance Committee of
Lancaster General Health:

We have audited the consolidated financial statements of Lancaster General Health ("LG") as of June 30, 2013 and for the year then ended and our report thereon appears on page 1 of this document. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

The consolidating information as of June 30, 2012 and for the year then ended was audited, in relation to the June 30, 2012 consolidated financial statements, by other auditors whose report, dated October 29, 2012, stated that the 2012 consolidating information is fairly stated in all material respects, in relation to the 2012 consolidated financial statements as a whole.

October 31, 2013

PricewaterhouseCoopers LLP, Penn National Insurance Plaza, 2 N. 2nd Street, Suite 1100, Harrisburg, PA 17101
T: (717) 231 5900, F: (717) 232 5672 , www.pwc.com/us

Lancaster General Health

CONSOLIDATING BALANCE SHEET
(in thousands of dollars)
June 30, 2013

	Lancaster General Health	Consolidated Lancaster General Hospital	Lancaster Cleft Palate Clinic	Lancaster General Medical Group	The Heart Group of LG	Lancaster General Services Business Trust	Lancaster General Insurance Company, Ltd.	Lancaster General HealthCare Foundation	Lancaster General Rehabilitation Services, Inc.	Lancaster General Health Innovative Solutions, Inc.	Eliminations Dr.	Eliminations Cr.	Consolidated Lancaster General Health
Assets													
Current assets													
Cash and cash equivalents	$ -	$ 9,430	$ -	$ 3,272	$ 731	$ 937	$ 1,658	$ -	$ -	$ -	$ -	$ -	$ 16,028
Investments	-	30,963	-	-	-	-	2,831	-	-	-	-	-	33,794
Assets limited as to use	-	6,115	-	-	-	-	-	-	-	-	-	-	6,115
Patient accounts receivable, net	-	93,903	-	4,133	1,573	103	-	-	-	-	-	-	99,712
Other receivables	1,596	19,271	-	211	401	-	253	28	-	-	417	-	22,177
Inventories	-	12,150	-	11	-	179	-	-	-	-	-	-	12,340
Due (to) from related organizations, net	11,859	2,631	-	(1,190)	(843)	212	(12,229)	-	-	(23)	-	417	-
Prepaid expenses and other current assets	17	11,151	-	1,061	499	248	6,521	-	-	-	-	-	19,497
Total current assets	13,472	185,614	-	7,498	2,361	1,679	(966)	28	-	(23)	417	417	209,663
Investments:													
Unrestricted	604,184	78,468	-	-	-	-	45,814	10,996	-	-	-	-	739,462
Donor restricted	1,923	10,872	-	-	-	-	-	-	-	-	-	-	12,795
	606,107	89,340	-	-	-	-	45,814	10,996	-	-	-	-	752,257
Interest in net assets of Lancaster General Health	-	1,182	-	-	-	-	-	-	-	-	-	1,182	-
Assets limited as to use, net of current portion	11,921	500	-	-	-	-	-	-	-	-	-	-	12,421
Property, plant and equipment, net	-	494,122	-	4,906	2,919	3,844	-	-	-	-	-	-	505,791
Beneficial interest in trusts	339	8,532	-	-	-	-	-	-	-	-	-	-	8,871
Investments in non-consolidated affiliates	6,434	7,243	-	-	-	1,865	-	-	-	-	-	-	15,542
Other assets	-	8,284	-	3,905	-	-	-	-	-	-	-	7,490	4,699
Total assets	$ 638,273	$ 794,817	$ -	$ 16,309	$ 5,280	$ 7,388	$ 44,848	$ 11,024	$ -	$ (23)	$ 417	$ 9,089	$ 1,509,244
Liabilities and net assets													
Current liabilities													
Current portion of long-term debt	$ -	$ 7,108	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,108
Accounts payable	-	28,362	-	1,131	15	56	95	-	-	-	-	-	29,659
Accrued payroll and related benefits	-	37,655	-	7,968	2,809	89	-	-	-	-	-	-	48,521
Estimated settlements with third-party payors	-	12,526	-	-	-	-	-	-	-	-	-	-	12,526
Other current liabilities	125	5,306	-	-	-	19	2,831	-	-	-	-	843	9,124
Total current liabilities	125	90,957	-	9,099	2,824	164	2,926	-	-	-	-	843	106,938
Accrued pension liability	162,935	-	-	-	-	-	-	-	-	-	-	-	162,935
Other liabilities	16,039	23,006	-	4,310	536	222	37,713	-	-	-	8,333	-	73,493
Long-term debt, net of current portion	-	223,399	-	-	-	-	-	-	-	-	-	-	223,399
Total liabilities	179,099	337,362	-	13,409	3,360	386	40,639	-	-	-	8,333	843	566,765
Net assets													
Unrestricted													
Unrestricted net assets of LG	457,682	433,835	-	2,900	1,920	7,002	4,209	11,024	-	(23)	19	518	919,048
Non-controlling interests	-	3,125	-	-	-	-	-	-	-	-	-	-	3,125
Total unrestricted net assets	457,682	436,960	-	2,900	1,920	7,002	4,209	11,024	-	(23)	19	518	922,173
Temporarily restricted	1,103	10,161	-	-	-	-	-	-	-	-	1,631	-	9,633
Permanently restricted	389	10,334	-	-	-	-	-	-	-	-	50	-	10,673
Total net assets	459,174	457,455	-	2,900	1,920	7,002	4,209	11,024	-	(23)	1,700	518	942,479
Total liabilities and net assets	$ 638,273	$ 794,817	$ -	$ 16,309	$ 5,280	$ 7,388	$ 44,848	$ 11,024	$ -	$ (23)	$ 10,033	$ 1,361	$ 1,509,244

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
(in thousands of dollars)
For the year ended June 30, 2013

	Lancaster General Health	Consolidated Lancaster General Hospital	Lancaster Cleft Palate Clinic	Lancaster General Medical Group	The Heart Group of LG	Lancaster General Services Business Trust	Lancaster General Insurance Company, Ltd.	Lancaster General HealthCare Foundation	Lancaster General Rehabilitation Services, Inc.	Lancaster General Health Innovative Solutions, Inc.	Eliminations Dr.	Eliminations Cr.	Consolidated Lancaster General Health
Unrestricted net assets													
Unrestricted revenue and other support													
Net patient service revenue	$ -	$ 842,991	$ -	$ 56,490	$ 14,820	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 914,301
Provision for bad debt	-	(39,533)	-	(1,188)	(704)	-	-	-	-	-	-	-	(41,425)
Net patient service revenue, less provision for bad debt	-	803,458	-	55,302	14,116	-	-	-	-	-	-	-	872,876
Medical services	-	8,353	-	-	-	1,678	-	-	-	-	-	-	10,031
Capitation revenue	-	590	-	934	-	-	-	-	-	-	-	-	1,524
Other revenue	(792)	43,046	-	5,773	873	800	881	-	-	-	19,583	19	31,017
Net assets released from restrictions for operations	-	3,905	-	75	-	-	-	-	-	-	-	-	3,980
Contributions	-	258	-	6	-	-	-	53	-	-	-	-	317
Total unrestricted revenue and other support	(792)	859,610	-	62,090	14,989	2,478	881	53	-	-	19,583	19	919,745
Expenses													
Operating expenses	21,151	708,219	-	86,572	27,890	2,560	4,336	543	82	457	35	19,841	832,004
Depreciation and amortization	-	49,502	-	1,007	561	162	-	-	-	-	-	-	51,232
Interest	-	7,931	-	-	1	-	-	-	-	-	-	-	7,932
Provision for bad debts	-	111	-	-	-	-	-	-	-	-	-	-	111
Total expenses	21,151	765,763	-	87,579	28,452	2,722	4,336	543	82	457	35	19,841	891,279
Operating income (loss)	(21,943)	93,847	-	(25,489)	(13,463)	(244)	(3,455)	(490)	(82)	(457)	19,618	19,860	28,466
Other income (loss)													
Investment income, net	11,146	1,685	-	-	-	1	1,183	204	-	-	-	-	14,219
Net realized gains on sale of trading securities	9,909	124	-	-	-	-	1,675	34	-	-	-	-	11,742
Change in net unrealized gains and losses on trading securities	16,707	(1,418)	-	-	-	-	597	1,055	-	-	-	-	16,941
Change in fair value of interest rate swap agreement	-	2,067	-	-	-	-	-	-	-	-	-	-	2,067
Income tax adjustment	-	8,231	-	-	-	-	-	-	3,862	-	-	-	12,093
Other non-operating income (loss), net	807	12,004	-	1,937	(2,416)	681	-	-	2,370	-	223	-	15,160
Total other income	38,569	22,693	-	1,937	(2,416)	682	3,455	1,293	6,232	-	223	-	72,222
Excess of (deficiency in) revenue and other income over expenses	16,626	116,540	-	(23,552)	(15,879)	438	-	803	6,150	(457)	19,841	19,860	100,688
Excess of revenue attributable to non-controlling interest	-	(1,984)	-	-	-	-	-	-	-	-	-	-	(1,984)
Excess of (deficiency in) revenue and other income over expenses attributable to LG	16,626	114,556	-	(23,552)	(15,879)	438	-	803	6,150	(457)	19,841	19,860	98,704
Other changes in unrestricted net assets													
Net assets released from restrictions - purchase of property, plant and equipment	-	10,654	-	-	-	-	-	-	-	-	-	-	10,654
Change in non-controlling interests	-	74	-	-	-	-	-	-	-	-	-	-	74
Equity contributions from (to) related organizations	87,235	(120,816)	-	23,554	11,896	(300)	-	286	(2,289)	434	-	-	-
Change in pension liability	141,439	-	-	-	-	-	-	-	-	-	-	-	141,439
Change in post retirement benefits	(978)	-	-	-	-	-	-	-	-	-	-	-	(978)
Effects of deconsolidation of affiliate			(2,297)										(2,297)
Increase (decrease) in unrestricted net assets	244,322	4,468	(2,297)	2	(3,983)	138	-	1,089	3,861	(23)	19,841	19,860	247,596
Temporarily restricted net assets													
Restricted contributions and gifts	359	5,019	-	75	-	-	-	-	-	-	-	-	5,453
Investment income	-	187	-	-	-	-	-	-	-	-	-	-	187
Net realized gains on sale of trading securities	-	16	-	-	-	-	-	-	-	-	-	-	16
Change in net unrealized gains on trading securities	-	289	-	-	-	-	-	-	-	-	-	-	289
Net assets released from restrictions	-	(14,559)	-	(75)	-	-	-	-	-	-	-	-	(14,634)
Change in interest in net assets of Lancaster General Health	(175)	358	-	-	-	-	-	-	-	-	183	-	-
Effects of deconsolidation of affiliate		-	(212)										(212)
(Decrease) increase in temporarily restricted net assets	184	(8,690)	(212)	-	-	-	-	-	-	-	183	-	(8,901)
Permanently restricted net assets													
Restricted contributions and gifts	-	124	-	-	-	-	-	-	-	-	-	-	124
Change in net unrealized gains and losses on trading securities	-	400	-	-	-	-	-	-	-	-	-	-	400
Change in fair value of beneficial interest in perpetual trusts	22	116	-	-	-	-	-	-	-	-	-	-	138
Effects of deconsolidation of affiliate	-	-	(1,440)	-	-	-	-	-	-	-	-	-	(1,440)
(Decrease) increase in permanently restricted net assets	22	640	(1,440)	-	-	-	-	-	-	-	-	-	(778)
Increase (decrease) in net assets	244,528	(3,582)	(3,949)	2	(3,983)	138	-	1,089	3,861	(23)	20,024	19,860	237,917
Net assets, beginning of year	214,646	461,037	3,949	2,898	5,903	6,864	4,209	9,935	(3,861)	-	1,628	610	704,562
Net assets, end of year	$ 459,174	$ 457,455	$ -	$ 2,900	$ 1,920	$ 7,002	$ 4,209	$ 11,024	$ -	$ (23)	$ 21,652	$ 20,470	$ 942,479

Lancaster General Health

CONSOLIDATING BALANCE SHEET
(in thousands of dollars)
June 30, 2012

	Lancaster General Health	Consolidated Lancaster General Hospital	Lancaster Cleft Palate Clinic	Lancaster General Medical Group	The Heart Group of LG	Lancaster General Services Business Trust	Lancaster General Insurance Company, Ltd.	Lancaster General HealthCare Foundation	Lancaster General Rehabilitation Services, Inc.	Eliminations Dr.	Eliminations Cr.	Consolidated Lancaster General Health
Assets												
Current assets												
Cash and cash equivalents	$ -	$ 8,126	$ 151	$ 1,037	$ 477	$ 671	$ 2,818	$ -	$ -	$ -	$ -	$ 13,280
Investments	-	72,513	-	-	-	-	2,345	-	-	-	-	74,858
Assets limited as to use	-	4,304	-	-	-	-	-	-	-	-	-	4,304
Patient accounts receivable, net	-	102,820	136	4,026	2,665	143	-	-	-	-	-	109,790
Other receivables	1,415	12,375	23	118	243	-	277	30	-	467	-	14,948
Inventories	-	4,271	-	121	-	184	-	-	-	-	-	4,576
Due (to) from related organizations, net	13,380	986	-	(53)	(3)	258	(13,947)	(154)	-	-	467	-
Prepaid expenses and other current assets	13	10,816	2	1,608	534	398	6,549	-	-	-	-	19,920
Total current assets	14,808	216,211	312	6,857	3,916	1,654	(1,958)	(124)	-	467	467	241,676
Investments:												
Unrestricted	486,828	70,689	1,653	-	-	-	43,489	10,040	-	-	-	612,699
Donor restricted	1,796	16,800	1,737	-	-	-	-	-	-	-	-	20,333
	488,624	87,489	3,390	-	-	-	43,489	10,040	-	-	-	633,032
Interest in net assets of Lancaster General Health	-	999	-	-	-	-	-	19	-	-	1,018	-
Assets limited as to use, net of current portion	10,677	23,658	-	-	-	-	-	-	-	-	-	34,335
Property, plant and equipment, net	-	466,639	461	4,667	1,680	3,959	-	-	-	-	-	477,406
Beneficial interest in trusts	317	8,216	-	-	-	-	-	-	-	-	-	8,533
Investments in non-consolidated affiliates	5,621	6,975	-	-	-	1,609	-	-	-	-	-	14,205
Other assets	-	8,438	-	200	3,004	-	-	-	-	-	5,535	6,107
Total assets	$ 520,047	$ 818,625	$ 4,163	$ 11,724	$ 8,600	$ 7,222	$ 41,531	$ 9,935	$ -	$ 467	$ 7,020	$ 1,415,294
Liabilities and net assets												
Current liabilities												
Current portion of long-term debt	$ -	$ 7,209	$ -	$ -	$ 20	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,229
Accounts payable	-	35,949	3	809	97	75	79	-	-	-	-	37,012
Accrued payroll and related benefits	-	35,201	36	6,072	2,112	78	-	-	-	-	-	43,499
Estimated settlements with third-party payors	-	10,853	-	-	-	-	-	-	-	-	-	10,853
Other current liabilities	76	12,717	43	297	-	37	2,345	-	3,861	-	1,019	20,395
Total current liabilities	76	101,929	82	7,178	2,229	190	2,424	-	3,861	-	1,019	118,988
Accrued pension liability	291,299	-	-	-	-	-	-	-	-	-	-	291,299
Other liabilities	14,026	27,024	132	1,648	468	168	34,898	-	-	6,554	-	71,810
Long-term debt, net of current portion	-	228,635	-	-	-	-	-	-	-	-	-	228,635
Total liabilities	305,401	357,588	214	8,826	2,697	358	37,322	-	3,861	6,554	1,019	710,732
Net assets												
Unrestricted												
Unrestricted net assets of LG	213,359	429,441	2,297	2,898	5,903	6,864	4,209	9,935	(3,861)	129	610	671,526
Non-controlling interests	-	3,051	-	-	-	-	-	-	-	-	-	3,051
Total unrestricted net assets	213,359	432,492	2,297	2,898	5,903	6,864	4,209	9,935	(3,861)	129	610	674,577
Temporarily restricted	920	18,851	212	-	-	-	-	-	-	1,449	-	18,534
Permanently restricted	367	9,694	1,440	-	-	-	-	-	-	50	-	11,451
Total net assets	214,646	461,037	3,949	2,898	5,903	6,864	4,209	9,935	(3,861)	1,628	610	704,562
Total liabilities and net assets	$ 520,047	$ 818,625	$ 4,163	$ 11,724	$ 8,600	$ 7,222	$ 41,531	$ 9,935	$ -	$ 8,182	$ 1,629	$ 1,415,294

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
(in thousands of dollars)
For the year ended June 30, 2012

	Lancaster General Health	Consolidated Lancaster General Hospital	Lancaster Cleft Palate Clinic	Lancaster General Medical Group	The Heart Group of LG	Lancaster General Services Business Trust	Lancaster General Insurance Company, Ltd.	Visiting Nurse Association of Lancaster County	Lancaster General HealthCare Foundation	Lancaster General Rehabilitation Services, Inc.	Eliminations Dr.	Eliminations Cr.	Consolidated Lancaster General Health
Unrestricted net assets													
Unrestricted revenue and other support													
Net patient service revenue	$ -	$ 840,004	$ 867	$ 47,888	$ 16,788	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 905,547
Provision for bad debt	-	(35,773)	(27)	(828)	(459)	-	-	-	-	-	-	-	(37,087)
Net patient service revenue, less providion for bad debt	-	804,231	840	47,060	16,329	-	-	-	-	-	-	-	868,460
Medical services	-	8,356	-	-	-	8,869	-	-	-	-	-	-	17,225
Capitation revenue	-	-	-	878	-	-	-	-	-	-	-	-	878
Other revenue	1,995	35,071	254	4,288	630	766	3,142	-	(11)	-	19,264	110	26,981
Net assets released from restrictions for operations	-	2,525	68	-	-	-	-	-	-	-	-	-	2,593
Contributions	-	338	140	-	-	-	-	-	27	-	-	-	505
Total unrestricted revenue and other support	1,995	850,521	1,302	52,226	16,959	9,635	3,142	-	16	-	19,264	110	916,642
Expenses													
Operating expenses	(12,304)	734,244	1,684	77,549	25,777	10,385	5,663	-	541	138	10	19,388	824,299
Depreciation and amortization	-	53,100	75	1,142	308	304	-	-	-	-	-	-	54,929
Interest	-	5,953	-	-	1	1	-	-	-	-	-	-	5,955
Provision for bad debts	-	76	-	-	-	-	-	-	-	-	-	-	76
Total expenses	(12,304)	793,373	1,759	78,691	26,086	10,690	5,663	-	541	138	10	19,388	885,259
Operating income (loss)	14,299	57,148	(457)	(26,465)	(9,127)	(1,055)	(2,521)	-	(525)	(138)	19,274	19,498	31,383
Other income (loss)													
Investment income	10,701	1,535	34	-	(1)	3	1,600	-	224	-	-	-	14,096
Net realized gains on sale of trading securities	2,546	480	16	-	-	-	1,220	-	126	-	-	-	4,388
Change in net unrealized gains and losses on trading securities	(16,125)	162	10	-	-	-	(299)	-	(129)	-	-	-	(16,381)
Change in fair value of interest rate swap agreement	-	(5,295)	-	-	-	-	-	-	-	-	-	-	(5,295)
Income tax expense	-	(8,232)	-	-	-	-	-	-	-	(3,861)	-	-	(12,093)
Other non-operating income, net	8,572	18,192	-	23	119	4,483	-	-	-	2,814	113	-	34,090
Total other income (loss)	5,694	6,842	60	23	118	4,486	2,521	-	221	(1,047)	113	-	18,805
Excess of (deficiency in) revenue and other income over expenses	19,993	63,990	(397)	(26,442)	(9,009)	3,431	-	-	(304)	(1,185)	19,387	19,498	50,188
Excess of revenue attributable to non-controlling interest	-	(2,119)	-	-	-	(347)	-	-	-	-	-	-	(2,466)
Excess of (deficiency in) revenue and other income over expenses attributable to LG	19,993	61,871	(397)	(26,442)	(9,009)	3,084	-	-	(304)	(1,185)	19,387	19,498	47,722
Other changes in unrestricted net assets													
Net assets released from restrictions - purchase of property, plant and equipment	-	450	-	-	-	-	-	-	-	-	-	-	450
Change in non-controlling interests	-	254	-	-	-	(2,474)	-	-	-	-	-	-	(2,220)
Equity contributions from (to) related organizations	3,156	(40,536)	1,050	27,149	15,578	(4,000)	-	-	162	(2,559)	-	-	-
Change in pension liability	(146,063)	-	-	-	-	-	-	-	-	-	-	-	(146,063)
Change in other benefits	(2,045)	-	-	-	-	-	-	-	-	-	-	-	(2,045)
Effects of deconsolidation of affiliate								(12,517)					(12,517)
(Decrease) increase in unrestricted net assets	(124,959)	22,039	653	707	6,569	(3,390)	-	(12,517)	(142)	(3,744)	19,387	19,498	(114,673)
Temporarily restricted net assets													
Restricted contributions and gifts	329	4,337	152	-	-	-	-	-	-	-	-	-	4,818
Investment income	-	189	34	-	-	-	-	-	-	-	-	-	223
Net realized gains on sale of trading securities	-	73	9	-	-	-	-	-	-	-	-	-	82
Change in net unrealized losses on trading securities	-	(347)	-	-	-	-	-	-	-	-	-	-	(347)
Net assets released from restrictions	-	(2,975)	(68)	-	-	-	-	-	-	-	-	-	(3,043)
Change in interest in net assets of Lancaster General Health	(10)	374	-	-	-	-	-	-	-	-	364	-	-
Effects of deconsolidation of affiliate		-						(13)					(13)
Increase (decrease) in temporarily restricted net assets	319	1,651	127	-	-	-	-	(13)	-	-	364	-	1,720
Permanently restricted net assets													
Restricted contributions and gifts	-	222	29	-	-	-	-	-	-	-	-	-	251
Change in net unrealized gains and losses on trading securities	-	(28)	3	-	-	-	-	-	-	-	-	-	(25)
Change in fair value of beneficial interest in perpetual trusts	(33)	(256)	-	-	-	-	-	-	-	-	-	-	(289)
Effects of deconsolidation of affiliate	-	-	-	-	-	-	-	(207)	-	-	-	-	(207)
(Decrease) increase in permanently restricted net assets	(33)	(62)	32	-	-	-	-	(207)	-	-	-	-	(270)
(Decrease) increase in net assets	(124,673)	23,628	812	707	6,569	(3,390)	-	(12,737)	(142)	(3,744)	19,751	19,498	(113,223)
Net assets, beginning of year	339,319	437,409	3,137	2,191	(666)	10,254	4,209	12,737	10,077	(117)	6,954	6,189	817,785
Net assets, end of year	$ 214,646	$ 461,037	$ 3,949	$ 2,898	$ 5,903	$ 6,864	$ 4,209	$ -	$ 9,935	$ (3,861)	$ 26,705	$ 25,687	$ 704,562

Lancaster General Hospital

CONSOLIDATING BALANCE SHEET
(in thousands of dollars)
June 30, 2013

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations Dr.	Eliminations Cr.	Consolidated Lancaster General Hospital
Assets								
Current assets								
Cash and cash equivalents	$ 6,852	$ 10	$ 1,824	$ 744	$ -	$ -	$ -	$ 9,430
Investments	26,502	-	-	4,461	-	-	-	30,963
Assets limited as to use	6,060	-	-	55	-	-	-	6,115
Patient accounts receivable, net	91,724	361	1,818	-	-	-	-	93,903
Other receivables	18,553	1	10	712	-	3	8	19,271
Inventories	12,150	-	-	-	-	-	-	12,150
Due from (to) related organizations	2,924	(36)	(17)	(274)	-	34	-	2,631
Prepaid expenses and other current assets	10,181	49	281	640	-	-	-	11,151
Total current assets	174,946	385	3,916	6,338	-	37	8	185,614
Investments:								
Unrestricted	78,468	-	-	-	-	-	-	78,468
Donor restricted	9,370	-	-	1,502	-	-	-	10,872
	87,838	-	-	1,502	-	-	-	89,340
Interest in net assets of Lancaster General Health	1,110	-	-	72	-	-	-	1,182
Assets limited as to use, net of current portion	-	-	-	500	-	-	-	500
Property, plant and equipment, net	475,598	2,060	9,692	6,772	-	-	-	494,122
Beneficial interest in trusts	6,941	-	-	1,591	-	-	-	8,532
Investments in non-consolidated affiliates	4,171	-	-	-	3,072	-	-	7,243
Other assets	7,300	-	802	182	-	-	-	8,284
Total assets	$ 757,904	$ 2,445	$ 14,410	$ 16,957	$ 3,072	$ 37	$ 8	$ 794,817
Liabilities and net assets								
Current liabilities								
Current portion of long-term debt	$ 4,895	$ -	$ 2,138	$ 75	$ -	$ -	$ -	$ 7,108
Accounts payable	27,824	13	231	294	-	-	-	28,362
Accrued payroll and related benefits	36,098	283	352	922	-	-	-	37,655
Estimated settlements with third-party payors	12,526	-	-	-	-	-	-	12,526
Other current liabilities	3,672	-	753	855	-	-	26	5,306
Total current liabilities	85,015	296	3,474	2,146	-	-	26	90,957
Other liabilities	22,731	25	19	231	-	-	-	23,006
Long-term debt, net of current portion	219,298	-	3,007	1,094	-	-	-	223,399
Total liabilities	327,044	321	6,500	3,471	-	-	26	337,362
Net assets								
Unrestricted net assets of LGH	413,444	2,124	4,785	10,407	3,072	-	3	433,835
Non-controlling interests	-	-	3,125	-	-	-	-	3,125
Total unrestricted net assets	413,444	2,124	7,910	10,407	3,072	-	3	436,960
Temporarily restricted	9,796	-	-	365	-	-	-	10,161
Permanently restricted	7,620	-	-	2,714	-	-	-	10,334
Total net assets	430,860	2,124	7,910	13,486	3,072	-	3	457,455
Total liabilities and net assets	$ 757,904	$ 2,445	$ 14,410	$ 16,957	$ 3,072	$ -	$ 29	$ 794,817

Lancaster General Hospital

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

(in thousands of dollars)

For the year ended June 30, 2013

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations Dr.	Eliminations Cr.	Consolidated Lancaster General Hospital
Unrestricted net assets								
Unrestricted revenue and other support								
Net patient service revenue	$ 816,235	$ 3,111	$ 23,645	$ -	$ -	$ -	$ -	$ 842,991
Provision for bad debt	(38,700)	(162)	(671)	-	-	-	-	(39,533)
Net patient service revenue, less provision for bad debt	777,535	2,949	22,974	-	-	-	-	803,458
Medical services	8,353	-	-	-	-	-	-	8,353
Capitation revenue	420	170	-	-	-	-	-	590
Other revenue	32,960	754	-	21,687	-	12,355	-	43,046
Net assets released from restrictions for operations	3,722	-	-	183	-	-	-	3,905
Contributions	27	-	-	231	-	-	-	258
Total unrestricted revenue and other support	823,017	3,873	22,974	22,101	-	12,355	-	859,610
Expenses								
Operating expenses	680,259	5,069	15,777	19,414	55	-	12,355	708,219
Depreciation and amortization	46,629	272	1,929	672	-	-	-	49,502
Interest	7,633	-	288	17	-	-	7	7,931
Provision for bad debts	28	-	-	83	-	-	-	111
Total expenses	734,549	5,341	17,994	20,186	55	-	12,362	765,763
Operating income (loss)	88,468	(1,468)	4,980	1,915	(55)	12,355	12,362	93,847
Other income (loss)								
Investment income, net	1,658	-	-	34	-	7	-	1,685
Net realized gains on sale of trading securities	117	-	-	7	-	-	-	124
Change in net unrealized gains and losses on trading securities	(1,568)	-	-	150	-	-	-	(1,418)
Change in fair value of interest rate swap agreement	2,067	-	-	-	-	-	-	2,067
Income tax adjustment	-	-	-	-	8,231	-	-	8,231
Other non-operating income, net	6,233	135	35	-	5,601	-	-	12,004
Total other income	8,507	135	35	191	13,832	7	-	22,693
Excess of (deficiency in) revenue and other income over expenses	96,975	(1,333)	5,015	2,106	13,777	12,362	12,362	116,540
Excess of revenue attributable to non-controlling interests	-	-	(1,984)	-	-	-	-	(1,984)
Excess of (deficiency in) revenue and other income over expenses attributable to LGH	96,975	(1,333)	3,031	2,106	13,777	12,362	12,362	114,556
Other changes in unrestricted net assets								
Net assets released from restrictions - purchase of property, plant and equipment	10,654	-	-	-	-	-	-	10,654
Change in non-controlling interests	-	-	74	-	-	-	-	74
Equity contributions (to) from related organizations	(114,932)	1,219	(2,887)	1,519	(5,735)	-	-	(120,816)
Increase (decrease) in unrestricted net assets	(7,303)	(114)	218	3,625	8,042	12,362	12,362	4,468
Temporarily restricted net assets								
Restricted contributions and gifts	4,879	-	-	140	-	-	-	5,019
Investment income	164	-	-	23	-	-	-	187
Net realized gains on sale of trading securities	8	-	-	8	-	-	-	16
Change in net unrealized gains on trading securities	289	-	-	-	-	-	-	289
Net assets released from restrictions	(14,376)	-	-	(183)	-	-	-	(14,559)
Change in interest in net assets of Lancaster General Health	358	-	-	-	-	-	-	358
(Decrease) increase in temporarily restricted net assets	(8,678)	-	-	(12)	-	-	-	(8,690)
Permanently restricted net assets								
Restricted contributions and gifts	85	-	-	39	-	-	-	124
Change in net unrealized gains on trading securities	400	-	-	-	-	-	-	400
Change in fair value of beneficial interest in trusts	79	-	-	37	-	-	-	116
Increase in permanently restricted net assets	564	-	-	76	-	-	-	640
(Decrease) increase in net assets	(12,417)	(114)	218	3,689	8,042	12,362	12,362	(3,582)
Net assets, beginning of year	446,277	2,238	7,692	9,797	(4,970)	74,422	74,425	461,037
Net assets, end of year	$ 430,860	$ 2,124	$ 7,910	$ 13,486	$ 3,072	$ 86,784	$ 86,787	$ 457,455

Lancaster General Hospital

CONSOLIDATING BALANCE SHEET
(in thousands of dollars)
June 30, 2012

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations Dr.	Eliminations Cr.	Consolidated Lancaster General Hospital
Assets								
Current assets								
Cash and cash equivalents	$ 5,340	$ 8	$ 2,259	$ 519	$ -	$ -	$ -	$ 8,126
Investments	71,473	-	-	1,040	-	-	-	72,513
Assets limited as to use	4,254	-	-	50	-	-	-	4,304
Patient accounts receivable, net	100,596	267	1,957	-	-	-	-	102,820
Other receivables	11,704	1	13	981	-	2	326	12,375
Inventories	4,271	-	-	-	-	-	-	4,271
Due from (to) related organizations	1,154	(29)	(157)	(14)	-	31	(1)	986
Prepaid expenses and other current assets	10,082	103	270	361	-	-	-	10,816
Total current assets	208,874	350	4,342	2,937	-	33	325	216,211
Investments:								
Unrestricted	70,689	-	-	-	-	-	-	70,689
Donor restricted	15,422	-	-	1,378	-	-	-	16,800
	86,111	-	-	1,378	-	-	-	87,489
Interest in net assets of Lancaster General Health	927	-	-	72	-	-	-	999
Assets limited as to use, net of current portion	23,158	-	-	500	-	-	-	23,658
Property, plant and equipment, net	447,733	2,226	9,734	6,946	-	-	-	466,639
Beneficial interest in trusts	6,662	-	-	1,554	-	-	-	8,216
Investments in non-consolidated affiliates	3,713	-	-	-	3,262	-	-	6,975
Other assets	7,451	-	802	185	-	-	-	8,438
Total assets	$ 784,629	$ 2,576	$ 14,878	$ 13,572	$ 3,262	$ 33	$ 325	$ 818,625
Liabilities and net assets								
Current liabilities								
Current portion of long-term debt	$ 5,035	$ -	$ 2,167	$ 75	$ -	$ 68	$ -	$ 7,209
Accounts payable	35,486	2	153	308	-	-	-	35,949
Accrued payroll and related benefits	33,650	332	363	856	-	-	-	35,201
Estimated settlements with third-party payors	10,853	-	-	-	-	-	-	10,853
Other current liabilities	2,506	-	806	1,142	8,232	-	31	12,717
Total current liabilities	87,530	334	3,489	2,381	8,232	68	31	101,929
Other liabilities	26,755	4	40	225	-	-	-	27,024
Long-term debt, net of current portion	224,067	-	3,657	1,169	-	258	-	228,635
Total liabilities	338,352	338	7,186	3,775	8,232	326	31	357,588
Net assets								
Unrestricted net assets of LGH	420,747	2,238	4,641	6,782	(4,970)	-	3	429,441
Non-controlling interests	-	-	3,051	-	-	-	-	3,051
Total unrestricted net assets	420,747	2,238	7,692	6,782	(4,970)	-	3	432,492
Temporarily restricted	18,474	-	-	377	-	-	-	18,851
Permanently restricted	7,056	-	-	2,638	-	-	-	9,694
Total net assets	446,277	2,238	7,692	9,797	(4,970)	-	3	461,037
Total liabilities and net assets	$ 784,629	$ 2,576	$ 14,878	$ 13,572	$ 3,262	$ 326	$ 34	$ 818,625

Lancaster General Hospital

CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

(in thousands of dollars)

For the year ended June 30, 2012

	Lancaster General Hospital	Lancaster General Health Columbia Center	Lancaster General Imaging Corporation	Lancaster General College of Nursing and Health Sciences	Lancaster General Ambulatory Services	Eliminations Dr.	Eliminations Cr.	Consolidated Lancaster General Hospital
Unrestricted net assets								
Unrestricted revenue and other support								
Net patient service revenue	$ 812,161	$ 3,136	$ 24,707	$ -	$ -	$ -	$ -	$ 840,004
Provision for bad debt	(34,850)	(187)	(736)	-	-	-	-	(35,773)
Net patient service revenue, less providion for bad debt	777,311	2,949	23,971	-	-	-	-	804,231
Medical services	8,333	23	-	-	-	-	-	8,356
Other revenue	29,252	592	-	20,416	-	15,189	-	35,071
Net assets released from restrictions for operations	2,259	-	-	266	-	-	-	2,525
Contributions	11	-	-	327	-	-	-	338
Total unrestricted revenue and other support	817,166	3,564	23,971	21,009	-	15,189	-	850,521
Expenses								
Operating expenses	705,284	5,062	16,469	20,528	149	-	13,248	734,244
Depreciation and amortization	50,284	284	1,942	590	-	-	-	53,100
Interest	5,587	-	378	18	-	-	30	5,953
Provision for bad debts	(23)	-	-	99	-	-	-	76
Total expenses	761,132	5,346	18,789	21,235	149	-	13,278	793,373
Operating income (loss)	56,034	(1,782)	5,182	(226)	(149)	15,189	13,278	57,148
Other income (loss)								
Investment income, net	1,534	-	1	30	-	30	-	1,535
Net realized gains on sale of trading securities	476	-	-	4	-	-	-	480
Change in net unrealized gains on trading securities	156	-	-	6	-	-	-	162
Change in fair value of interest rate swap agreement	(5,295)	-	-	-	-	-	-	(5,295)
Income tax expense	-	-	-	-	(8,232)	-	-	(8,232)
Other non-operating income, net	12,119	-	35	-	6,038	-	-	18,192
Total other income	8,990	-	36	40	(2,194)	30	-	6,842
Excess of (deficiency in) revenue and other income over expenses	65,024	(1,782)	5,218	(186)	(2,343)	15,219	13,278	63,990
Excess of revenue attributable to non-controlling interests	-	-	(2,119)	-	-	-	-	(2,119)
Excess of (deficiency in) revenue and other income over expenses attributable to LGH	65,024	(1,782)	3,099	(186)	(2,343)	15,219	13,278	61,871
Other changes in unrestricted net assets								
Net assets released from restrictions - purchase of property, plant and equipment	450	-	-	-	-	-	-	450
Change in non-controlling interests	-	-	254	-	-	-	-	254
Equity contributions (to) from related organizations	(35,488)	1,357	(2,712)	123	(5,757)	-	1,941	(40,536)
Increase (decrease) in unrestricted net assets	29,986	(425)	641	(63)	(8,100)	15,219	15,219	22,039
Temporarily restricted net assets								
Restricted contributions and gifts	4,130	-	-	207	-	-	-	4,337
Investment income	166	-	-	23	-	-	-	189
Net realized gains on sale of trading securities	67	-	-	6	-	-	-	73
Change in net unrealized losses on trading securities	(347)	-	-	-	-	-	-	(347)
Net assets released from restrictions	(2,709)	-	-	(266)	-	-	-	(2,975)
Change in interest in net assets of Lancaster General Health	374	-	-	-	-	-	-	374
Increase (decrease) in temporarily restricted net assets	1,681	-	-	(30)	-	-	-	1,651
Permanently restricted net assets								
Restricted contributions and gifts	157	-	-	65	-	-	-	222
Change in net unrealized losses on trading securities	(28)	-	-	-	-	-	-	(28)
Change in fair value of beneficial interest in trusts	(175)	-	-	(81)	-	-	-	(256)
Decrease in permanently restricted net assets	(46)	-	-	(16)	-	-	-	(62)
Increase (decrease) in net assets	31,621	(425)	641	(109)	(8,100)	15,219	15,219	23,628
Net assets, beginning of year	414,656	2,663	7,051	9,906	3,130	59,203	59,206	437,409
Net assets, end of year	$ 446,277	$ 2,238	$ 7,692	$ 9,797	$ (4,970)	$ 74,422	$ 74,425	$ 461,037