The Pennsylvania State University
Right-to-Know Law Report
May 30, 2013

This Report is filed in accordance with the provisions of Chapter 15 of the Right-to-Know Law for the Fiscal Year commencing July 1, 2011 and ending June 30, 2012. This Report includes the following information as required by the Right-to-Know Law:

1. Section 1 -- Information required by Form 990 or an equivalent form, of the United States Department of the Treasury, Internal Revenue Service, entitled the Return of Organization Exempt From Income Tax, regardless of whether the State-related institution is required to file the form by the Federal Government.

2. Section 2 -- The salaries of all officers and directors of the State-related institution.

3. Section 3 -- The highest 25 salaries paid to employees of the institution that are not included under Section 2.
Section 1:

All information required by Form 990 or an equivalent form, of the United States Department of the Treasury, Internal Revenue Service, entitled the Return of Organization Exempt From Income Tax, regardless of whether the State-related institution is required to file the form by the Federal Government.
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)

A For the 2011 calendar year, or tax year beginning July 1, 2011, and ending June 30, 2012

B Name of organization: The Pennsylvania State University

C Employer identification number: 246000376

D Telephone number: 814-865-1355

E Gross receipts: 4644503000

F Website: PSU.EDU

G Group exemption number: H(c)

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

H Are all affiliates included? Yes ☐ No ☑

J Form of organization: Corporation

K Year of formation: 1855

Part I Summary

1 Briefly describe the organization’s mission or most significant activities: As Pennsylvania’s land grant university, The Pennsylvania State University is committed to improving the lives of the people of Pennsylvania, the nation and the world through its integrated, tri-part mission of high-quality teaching, research and outreach. The University is an instrumentality of the Commonwealth of Pennsylvania.

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): 32

4 Number of independent voting members of the governing body (Part VI, line 1b): 31

5 Total number of individuals employed in calendar year 2011 (Part V, line 2a): 57894

6 Total number of volunteers (estimate if necessary) (Part V, line 2b): Thousands

7a Total unrelated business revenue from Part VIII, column (C), line 12: 15979393

7b Net unrelated business taxable income from Form 990-T, line 34: 3830768

8 Contributions and grants (Part VIII, line 1h): 569787000

9 Program service revenue (Part VIII, line 2g): 3908263937

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d): 184593000

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e): 22373063

12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12): 4685017000

13 Grants and similar amounts paid (Part IX, column (A), lines 1–3): 152253484

14 Benefits paid to or for members (Part IX, column (A), line 4): 2570581289

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10): 2832357489

16a Professional fundraising fees (Part IX, column (A), line 11e): 2570581289

16b Total fundraising expenses (Part IX, column (D), line 25): 2570581289

17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e): 1417777227

18 Total expenses. Add lines 13–24 (must equal Part IX, column (A), line 25): 4140612000

19 Revenue less expenses. Subtract line 18 from line 12: 544405000

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.

Signature of officer Date

Type or print name and title

Print/Type preparer’s name Preparer’s signature Date Check ☑ if self-employed PTIN

Firm’s name Firm’s EIN

Firm’s address Firm’s phone number

May the IRS discuss this return with the preparer shown above? Yes ☐ No ☑
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:
As Pennsylvania’s land grant university, The Pennsylvania State University is committed to improving the lives of the people of Pennsylvania, the nation, and the world through its integrated, tri-part mission of high-quality teaching, research and outreach.
The University is an instrumentality of the Commonwealth of Pennsylvania.

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 and section 4947(a)(1) trusts 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 $1234581000 including grants of $1582242944) (Revenue $1508843000)
Instruction - Penn State's instructional mission includes undergraduate, graduate, professional, and continuing and distance education.

4b (Code: ) (Expenses $1195695000 including grants of $1261690000) (Revenue $1261690000)
Hospital - Penn State is committed to enhancing quality of life through improved health, the professional preparation of those who will serve the health needs of others, and the discovery of knowledge that will benefit all.

4c (Code: ) (Expenses $777752000 including grants of $807502000) (Revenue $807502000)
Research - Penn State's research mission is to create new knowledge that improves individual lives. University research has positively impacted our region, state, nation, and beyond.

4d Other program services (Describe in Schedule O.)
(Expenses $196377301 including grants of $515717365) (Revenue $515717365)

4e Total program service expenses ➤ 3404405301
Part IV Checklist of Required Schedules

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<thead>
<tr>
<th></th>
<th>Yes</th>
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<td>Question</td>
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<tr>
<td>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</td>
<td></td>
<td>✓</td>
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<tr>
<td>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</td>
<td></td>
<td>✓</td>
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<tr>
<td>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</td>
<td></td>
<td>✓</td>
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<tr>
<td>Did the organization conduct more than 5% of its activities through an entity that is not a related organization</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If “Yes,” complete Schedule M</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Was the loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization’s tax year? If “Yes,” complete Schedule L, Part II</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>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</td>
<td></td>
<td>✓</td>
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<td>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):</td>
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<td>A current or former officer, director, trustee, or key employee? If “Yes,” complete Schedule L, Part IV</td>
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<td>✓</td>
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<tr>
<td>A family member of a current or former officer, director, trustee, or key employee? If “Yes,” complete Schedule L, Part IV</td>
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<td>✓</td>
</tr>
<tr>
<td>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</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Did the organization receive more than $25,000 in non-cash contributions? If “Yes,” complete Schedule M</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If “Yes,” complete Schedule M</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Did the organization liquidate, terminate, or dissolve and cease operations? If “Yes,” complete Schedule N, Part I</td>
<td></td>
<td>✓</td>
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<tr>
<td>Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If “Yes,” complete Schedule N, Part II</td>
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<td>✓</td>
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<td>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</td>
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<td>✓</td>
</tr>
<tr>
<td>Was the organization related to any tax-exempt or taxable entity? If “Yes,” complete Schedule R, Parts II, III, IV, and V, line 1</td>
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<td>✓</td>
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<tr>
<td>Did the organization own a controlled entity within the meaning of section 512(b)(13)?</td>
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<td>✓</td>
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<tr>
<td>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</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Did the organization make any transfers to an exempt non-charitable related organization? If “Yes,” complete Schedule R, Part V, line 2</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>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</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
### Form 990 (2011)
#### Part V Statements Regarding Other IRS Filings and Tax Compliance

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

**1a** Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable

**b** Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable

**c** Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?

**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

**2b** If at least one is reported on line 2a, did the organization file all required federal employment tax returns?

**Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)

**3a** Did the organization have unrelated business gross income of $1,000 or more during the year?

**b** If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O

**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)?

**b** If "Yes," enter the name of the foreign country: ➤ South Africa

**5a** Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?

**b** Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?

**c** If "Yes" to line 5a or 5b, did the organization file Form 8886-T?

**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?

**b** If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

**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?

**b** If "Yes," did the organization notify the donor of the value of the goods or services provided?

**c** Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?

**d** If "Yes," indicate the number of Forms 8282 filed during the year.

**e** Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

**f** Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

**g** If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?

**h** 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?

**i** Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

**j** Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?

**k** If "Yes," indicate the number of Forms 8282 filed during the year.

**l** Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

**m** Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

**n** If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?

**o** Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?

**p** If "Yes," indicate the number of Forms 8282 filed during the year.

**q** Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

**r** Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

**s** If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?

**t** Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?

**u** If "Yes," indicate the number of Forms 8282 filed during the year.

**v** Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

**w** Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

**x** If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?

**y** Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?

**z** If "Yes," indicate the number of Forms 8282 filed during the year.

**11a** Gross income from members or shareholders

**11b** Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)

**12a** Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?

**b** If "Yes," enter the amount of tax-exempt interest received or accrued during the year.

**13** Section 501(c)(29) qualified nonprofit health insurance issuers.

**a** Is the organization licensed to issue qualified health plans in more than one state?

**Note.** See the instructions for additional information the organization must report on Schedule O

**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

**c** Enter the amount of reserves on hand

**14a** Did the organization receive any payments for indoor tanning services during the tax year?

**b** If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O

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**Submitted by:**

**Date:**

**Reviewed by:**

**Date:**

**Approved by:**

**Date:**

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**Note:** Enter the city and state of the organization’s principal business address

**Note:** Enter the amount of reserves on hand

**Note:** 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

**Note:** Enter the amount of reserves on hand

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**Note:** 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

**Note:** Enter the number of Forms W-2G included in line 1a.
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

1a Enter the number of voting members of the governing body at the end of the tax year.
   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.

1b Enter the number of voting members included in line 1a, above, who are independent.

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?

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?

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?

5 Did the organization become aware during the year of a significant diversion of the organization’s assets?

6 Did the organization have members or stockholders?

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?

7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:
   a The governing body.
   b Each committee with authority to act on behalf of the governing body.

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.

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

10a Did the organization have local chapters, branches, or affiliates?
   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?

11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?
   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?
   b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?
   c Did the organization regularly and consistently monitor and enforce compliance with the policy?

13 Did the organization have a written whistleblower policy?

14 Did the organization have a written document retention and destruction policy?

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.
   b Other officers or key employees of the organization.

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?
   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?

Section C. Disclosure

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

18 Section 6104 requires an organization to make its 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

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:

[Signature] Joseph J. Doncsecz, Assoc. VP for Finance & Corp. Controller, 408 Old Main, Univ. Park, PA  16802 814-865-1355
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.

<table>
<thead>
<tr>
<th>(A) Name and Title</th>
<th>(B) Average hours per week (describe hours for related organizations in Schedule O)</th>
<th>(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)</th>
<th>(D) Reportable compensation from the organization (W-2/1099-MISC)</th>
<th>(E) Reportable compensation from related organizations (W-2/1099-MISC)</th>
<th>(F) Estimated amount of other compensation from the organization and related organizations</th>
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<td>(1) Thomas Corbett, J.r.</td>
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<td>Trustee</td>
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<td>(2) George Greig</td>
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<td>(3) Richard Allan</td>
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<td>(4) Ronald Tomalis</td>
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<td>(8) Ira Lubert</td>
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<td>(10) Marianne Alexander</td>
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<tr>
<td>(12) Stephanie Deviney</td>
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<tr>
<td>Trustee</td>
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<tr>
<td>(13) Anthony Lubrano</td>
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<tr>
<td>Trustee</td>
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<tr>
<td>(14) Ryan McCombie</td>
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### Part VII  
**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

<table>
<thead>
<tr>
<th>(A) Name and title</th>
<th>(B) Average hours per week (describe hours for related organizations in Schedule O)</th>
<th>(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)</th>
<th>(D) Reportable compensation from the organization (W-2/1099-MISC)</th>
<th>(E) Reportable compensation from related organizations (W-2/1099-MISC)</th>
<th>(F) Estimated amount of other compensation from the organization and related organizations</th>
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<tbody>
<tr>
<td>(15) Joel Myers</td>
<td>5*</td>
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<td>10141204</td>
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</tr>
<tr>
<td>(16) Paul Suhey</td>
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<td>476119</td>
<td>10141204</td>
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<tr>
<td>(17) Adam Taliferro</td>
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<td>476119</td>
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</tr>
<tr>
<td>(18) Donald Cotner</td>
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<tr>
<td>(19) Keith Eckel</td>
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<td>476119</td>
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<tr>
<td>(20) Samuel Hayes, Jr.</td>
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<td>10141204</td>
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</tr>
<tr>
<td>(21) Betsy Huber</td>
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<tr>
<td>(22) Keith Masser</td>
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<td>10141204</td>
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<tr>
<td>(23) Carl Shaffer</td>
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<td>(24) James Broadhurst</td>
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<td>(25) Kenneth Frazier</td>
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#### 1b Sub-total

- c Total from continuation sheets to Part VII, Section A  
- d Total (add lines 1b and 1c)

<table>
<thead>
<tr>
<th></th>
<th>Sub-total</th>
<th>Total from continuation sheets to Part VII, Section A</th>
<th>Total (add lines 1b and 1c)</th>
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<td>10141204</td>
<td>476119</td>
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<table>
<thead>
<tr>
<th>(A) Name and title</th>
<th>(B) Description of services</th>
<th>(C) Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>LF Driscoll, Bala Cynwyd, PA 19004</td>
<td>Construction</td>
<td>41965066</td>
</tr>
<tr>
<td>Leonard S. Fiore, Inc., Altoona PA 16602</td>
<td>Construction</td>
<td>23732337</td>
</tr>
<tr>
<td>McKesson Drug Co., San Francisco, CA 94104</td>
<td>Pharmaceutical</td>
<td>13340858</td>
</tr>
<tr>
<td>Dell Marketing, LP, Round Rock, Texas 78682</td>
<td>Information Technology</td>
<td>13285405</td>
</tr>
<tr>
<td>Mortenson Construction, Minneapolis, MN 55422</td>
<td>Construction</td>
<td>13271715</td>
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</table>

#### 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.

<table>
<thead>
<tr>
<th>(A) Name and business address</th>
<th>(B) Description of services</th>
<th>(C) Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>LF Driscoll, Bala Cynwyd, PA 19004</td>
<td>Construction</td>
<td>41965066</td>
</tr>
<tr>
<td>Leonard S. Fiore, Inc., Altoona PA 16602</td>
<td>Construction</td>
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<tr>
<td>McKesson Drug Co., San Francisco, CA 94104</td>
<td>Pharmaceutical</td>
<td>13340858</td>
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<tr>
<td>Dell Marketing, LP, Round Rock, Texas 78682</td>
<td>Information Technology</td>
<td>13285405</td>
</tr>
<tr>
<td>Mortenson Construction, Minneapolis, MN 55422</td>
<td>Construction</td>
<td>13271715</td>
</tr>
</tbody>
</table>

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
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</table>
### 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.

<table>
<thead>
<tr>
<th>(A) Name and Title</th>
<th>(B) Average hours per week (describe hours for related organizations in Schedule O)</th>
<th>(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)</th>
<th>(D) Reportable compensation from the organization (W-2/1099-MISC)</th>
<th>(E) Reportable compensation from related organizations (W-2/1099-MISC)</th>
<th>(F) Estimated amount of other compensation from the organization and related organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) (26) Edward Hintz, Jr.</td>
<td></td>
<td>Trustee</td>
<td>5*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) (27) Karen Peetz</td>
<td></td>
<td>Trustee</td>
<td>5*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) (28) Linda Strumpf</td>
<td></td>
<td>Trustee</td>
<td>5*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) (29) John Surma</td>
<td></td>
<td>Trustee</td>
<td>5*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) (30) Michael DiBerardinis</td>
<td></td>
<td>Trustee</td>
<td>5*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) (31) Steve Garban</td>
<td></td>
<td>Trustee</td>
<td>5*</td>
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<tr>
<td>(7) (32) David Jones</td>
<td></td>
<td>Trustee</td>
<td>5*</td>
<td></td>
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</tr>
<tr>
<td>(8) (33) Anne Riley</td>
<td></td>
<td>Trustee</td>
<td>5*</td>
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<tr>
<td>(9) (34) Barron Hetherington</td>
<td></td>
<td>Trustee</td>
<td>5*</td>
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<tr>
<td>(10) (35) Rodney Erickson</td>
<td></td>
<td>President &amp; Trustee</td>
<td>50*</td>
<td>✔ ✔</td>
<td>460065</td>
</tr>
<tr>
<td>(11) (36) Graham Spanier</td>
<td></td>
<td>President &amp; Trustee</td>
<td>50*</td>
<td>✔ ✔</td>
<td>3255762</td>
</tr>
<tr>
<td>(12) (37) David Joyner</td>
<td></td>
<td>Trustee, Athletic Director</td>
<td>5*</td>
<td>✔</td>
<td>47969</td>
</tr>
<tr>
<td>(13) (38) David Gray</td>
<td></td>
<td>Sr. VP - Finance &amp; Business</td>
<td>50*</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>(14) (39) Rodney Kirsch</td>
<td></td>
<td>Sr. VP - Development</td>
<td>50*</td>
<td>✔</td>
<td>375433</td>
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</table>
### Part VII

#### Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

<table>
<thead>
<tr>
<th>(A)</th>
<th>Name and title</th>
<th>(B) Position (do not check more than one box, unless person is both an officer and a director/trustee)</th>
<th>(C) Reportable compensation from the organization (W-2/1099-MISC)</th>
<th>(D) Reportable compensation from related organizations (W-2/1099-MISC)</th>
<th>(F) Estimated amount of other compensation from the organization and related organizations</th>
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</thead>
<tbody>
<tr>
<td>(15) (40)</td>
<td>Robert Pangborn</td>
<td>Interim Exec. VP &amp; Provost</td>
<td>50*</td>
<td>✔</td>
<td>289524</td>
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<tr>
<td>(16) (41)</td>
<td>Harold Paz</td>
<td>CEO Hershey Medical Center</td>
<td>50*</td>
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<td>982759</td>
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<tr>
<td>(17) (42)</td>
<td>Albert Horvath</td>
<td>Sr. VP - Finance &amp; Business</td>
<td>50*</td>
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<tr>
<td>(18) (43)</td>
<td>Gary Schultz</td>
<td>Sr. VP - Finance &amp; Business</td>
<td>50*</td>
<td>✔</td>
<td>72266</td>
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<tr>
<td>(19) (44)</td>
<td>Joseph Paterno</td>
<td>Head Football Coach</td>
<td>50*</td>
<td>✔</td>
<td>1053556</td>
</tr>
<tr>
<td>(20) (45)</td>
<td>Robert Harbaugh</td>
<td>Chair Dept. of Neurosurgery</td>
<td>50*</td>
<td>✔</td>
<td>893758</td>
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<tr>
<td>(21) (46)</td>
<td>Alan Brechbill</td>
<td>Executive Director - MSHMC</td>
<td>50*</td>
<td>✔</td>
<td>846585</td>
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<tr>
<td>(22) (47)</td>
<td>John Myers</td>
<td>Staff Physician - Pediatric Surgery</td>
<td>50*</td>
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<td>782539</td>
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<tr>
<td>(23) (48)</td>
<td>Peter Dillon</td>
<td>Chair Dept. of Surgery</td>
<td>50*</td>
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*Average hours per week are estimates and may vary by Trustee/employee.*

<table>
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<tr>
<td>d</td>
<td>Total (add lines 1b and 1c)</td>
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</table>

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 

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

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

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

---

#### 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.

<table>
<thead>
<tr>
<th>(A)</th>
<th>Name and business address</th>
<th>(B) Description of services</th>
<th>(C) Compensation</th>
</tr>
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<tbody>
<tr>
<td></td>
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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
### Part VIII Statement of Revenue

<table>
<thead>
<tr>
<th>Contributions, Gifts, Grants and Other Similar Amounts</th>
<th>(A) Total revenue</th>
<th>(B) Related or exempt function revenue</th>
<th>(C) Unrelated business revenue</th>
<th>(D) Revenue excluded from tax under sections 512, 513, or 514</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a Federated campaigns</td>
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<tr>
<td>b Membership dues</td>
<td></td>
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</tr>
<tr>
<td>c Fundraising events</td>
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</tr>
<tr>
<td>d Related organizations</td>
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</tr>
<tr>
<td>e Government grants (contributions)</td>
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<td></td>
</tr>
<tr>
<td>f All other contributions, gifts, grants, and similar</td>
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</tr>
<tr>
<td>amounts not included above</td>
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</tr>
<tr>
<td>g Noncash contributions included in lines 1a-1f</td>
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<tr>
<td>h Total. Add lines 1a–1f</td>
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<table>
<thead>
<tr>
<th>Contributions, Gifts, Grants and Other Similar Amounts</th>
<th>Business Code</th>
<th>(A) Total revenue</th>
<th>(B) Related or exempt function revenue</th>
<th>(C) Unrelated business revenue</th>
<th>(D) Revenue excluded from tax under sections 512, 513, or 514</th>
</tr>
</thead>
<tbody>
<tr>
<td>2a Tuition and fees</td>
<td>90009</td>
<td>1508843000</td>
<td>1508843000</td>
<td>746479000</td>
<td></td>
</tr>
<tr>
<td>b Grants &amp; contracts</td>
<td>541700</td>
<td>746479000</td>
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<td>c Medical Center revenue</td>
<td>90009</td>
<td>1261690000</td>
<td>1261690000</td>
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<tr>
<td>d Sales - auxiliary, etc.</td>
<td>611710</td>
<td>516443365</td>
<td></td>
<td>10167031</td>
<td>506276334</td>
</tr>
<tr>
<td>e Sales - educational</td>
<td>611710</td>
<td>60297000</td>
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<td>60297000</td>
<td></td>
</tr>
<tr>
<td>f All other program service revenue</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g Total. Add lines 2a–2f</td>
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<td>4093752365</td>
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</table>

<table>
<thead>
<tr>
<th>Program Service Revenue</th>
<th>(A) Total revenue</th>
<th>(B) Related or exempt function revenue</th>
<th>(C) Unrelated business revenue</th>
<th>(D) Revenue excluded from tax under sections 512, 513, or 514</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Investment income (including dividends, interest, and</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>other similar amounts)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>4 Income from investment of tax-exempt bond proceeds</td>
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</tr>
<tr>
<td>5 Royalties</td>
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#### Program Service Revenue
<table>
<thead>
<tr>
<th>Business Code</th>
<th>(A) Total revenue</th>
<th>(B) Related or exempt function revenue</th>
<th>(C) Unrelated business revenue</th>
<th>(D) Revenue excluded from tax under sections 512, 513, or 514</th>
</tr>
</thead>
<tbody>
<tr>
<td>6a Gross rents</td>
<td>5985760</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>b Less: rental expenses</td>
<td>3691418</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Rental income or (loss)</td>
<td>2294342</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d Net rental income or (loss)</td>
<td>2294342</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7a Gross amount from sales of assets other than inventory</td>
<td>34056053000</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>b Less: cost or other basis and sales expenses</td>
<td>34024013000</td>
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</tr>
<tr>
<td>c Gain or (loss)</td>
<td>32040000</td>
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</tr>
<tr>
<td>d Net gain or (loss)</td>
<td>32040000</td>
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#### Other Revenue
<table>
<thead>
<tr>
<th>(A) Total revenue</th>
<th>(B) Related or exempt function revenue</th>
<th>(C) Unrelated business revenue</th>
<th>(D) Revenue excluded from tax under sections 512, 513, or 514</th>
</tr>
</thead>
<tbody>
<tr>
<td>8a Gross income from fundraising events (not including $10594927 of contributions reported on line 1c). See Part IV, line 18</td>
<td>549350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Less: direct expenses</td>
<td>783541</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Net income or (loss) from fundraising events</td>
<td>(234191)</td>
<td>(234191)</td>
<td></td>
</tr>
<tr>
<td>9a Gross income from gaming activities. See Part IV, line 19</td>
<td>21447244</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b Less: direct expenses</td>
<td>15419951</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c Net income or (loss) from gaming activities</td>
<td>6027293</td>
<td>6027293</td>
<td></td>
</tr>
</tbody>
</table>

#### Miscellaneous Revenue
<table>
<thead>
<tr>
<th>Business Code</th>
<th>(A) Total revenue</th>
<th>(B) Related or exempt function revenue</th>
<th>(C) Unrelated business revenue</th>
<th>(D) Revenue excluded from tax under sections 512, 513, or 514</th>
</tr>
</thead>
<tbody>
<tr>
<td>11a Miscellaneous income</td>
<td>90009</td>
<td>18477191</td>
<td>18477191</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e Total. Add lines 11a–11d</td>
<td></td>
<td></td>
<td></td>
<td>18477191</td>
</tr>
</tbody>
</table>

#### Total revenue. See instructions.
<table>
<thead>
<tr>
<th>(A) Total revenue</th>
<th>(B) Related or exempt function revenue</th>
<th>(C) Unrelated business revenue</th>
<th>(D) Revenue excluded from tax under sections 512, 513, or 514</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>4644503000</td>
<td>2830830000</td>
<td>15979393 1797693607</td>
</tr>
</tbody>
</table>
### 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) but are not required to complete columns (B), (C), and (D).

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.**

<table>
<thead>
<tr>
<th></th>
<th>(A) Total expenses</th>
<th>(B) Program service expenses</th>
<th>(C) Management and general expenses</th>
<th>(D) Fundraising expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grants and other assistance to governments and organizations in the United States. See Part IV, line 21</td>
<td>158224294</td>
<td>158224294</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Grants and other assistance to individuals in the United States. See Part IV, line 22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Benefits paid to or for members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Compensation of current officers, directors, trustees, and key employees</td>
<td>5708516</td>
<td>1863564</td>
<td>2329863</td>
</tr>
<tr>
<td>6</td>
<td>Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Other salaries and wages</td>
<td>1950085973</td>
<td>1555750774</td>
<td>371122816</td>
</tr>
<tr>
<td>8</td>
<td>Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)</td>
<td>107529116</td>
<td>85637266</td>
<td>20532339</td>
</tr>
<tr>
<td>9</td>
<td>Other employee benefits</td>
<td>676192599</td>
<td>538526564</td>
<td>129116806</td>
</tr>
<tr>
<td>10</td>
<td>Payroll taxes</td>
<td>92841286</td>
<td>73939731</td>
<td>17727745</td>
</tr>
<tr>
<td>11</td>
<td>Fees for services (non-employees):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a Management</td>
<td>464054</td>
<td>464054</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b Legal</td>
<td>14159976</td>
<td>14159976</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c Accounting</td>
<td>717370</td>
<td>717370</td>
<td></td>
</tr>
<tr>
<td></td>
<td>d Lobbying</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e Professional fundraising services. See Part IV, line 17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>f Investment management fees</td>
<td>12799538</td>
<td>10193890</td>
<td>2443880</td>
</tr>
<tr>
<td></td>
<td>g Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Advertising and promotion</td>
<td>13601756</td>
<td>10703254</td>
<td>2771352</td>
</tr>
<tr>
<td>13</td>
<td>Office expenses</td>
<td>25064302</td>
<td>17418724</td>
<td>6643216</td>
</tr>
<tr>
<td>14</td>
<td>Information technology</td>
<td>71178790</td>
<td>41978164</td>
<td>28572266</td>
</tr>
<tr>
<td>15</td>
<td>Royalties</td>
<td>231672</td>
<td>119106</td>
<td>112566</td>
</tr>
<tr>
<td>16</td>
<td>Occupancy</td>
<td>129078020</td>
<td>39548639</td>
<td>89474340</td>
</tr>
<tr>
<td>17</td>
<td>Travel</td>
<td>61639736</td>
<td>55156976</td>
<td>5163116</td>
</tr>
<tr>
<td>18</td>
<td>Payments of travel or entertainment expenses for any federal, state, or local public officials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Conferences, conventions, and meetings</td>
<td>36334628</td>
<td>26878064</td>
<td>8816201</td>
</tr>
<tr>
<td>20</td>
<td>Interest</td>
<td>47832697</td>
<td>38094439</td>
<td>9133500</td>
</tr>
<tr>
<td>21</td>
<td>Payments to affiliates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Depreciation, depletion, and amortization</td>
<td>243036000</td>
<td>193556307</td>
<td>46406944</td>
</tr>
<tr>
<td>23</td>
<td>Insurance</td>
<td>39482181</td>
<td>31444005</td>
<td>7538996</td>
</tr>
<tr>
<td>24</td>
<td>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.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a Hospital Expenses</td>
<td>411278989</td>
<td>327572048</td>
<td>78520871</td>
</tr>
<tr>
<td></td>
<td>b Maintenance</td>
<td>147547162</td>
<td>26439611</td>
<td>120959922</td>
</tr>
<tr>
<td></td>
<td>c Resale supplies and material</td>
<td>63706377</td>
<td>31550319</td>
<td>32156058</td>
</tr>
<tr>
<td></td>
<td>d Food Supplies</td>
<td>51116289</td>
<td>1989821</td>
<td>49123706</td>
</tr>
<tr>
<td></td>
<td>e All other expenses</td>
<td>183479679</td>
<td>137356866</td>
<td>44719141</td>
</tr>
<tr>
<td>25</td>
<td>Total functional expenses. Add lines 1 through 24</td>
<td>454331000</td>
<td>3404405301</td>
<td>1088263012</td>
</tr>
</tbody>
</table>

**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here □ if following SOP 98-2 (ASC 958-720).
### Part X Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>(A) Beginning of year</th>
<th>(B) End of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cash—non-interest-bearing</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Savings and temporary cash investments</td>
<td>1653119000</td>
<td>1628430000</td>
</tr>
<tr>
<td>3</td>
<td>Pledges and grants receivable, net</td>
<td>227069000</td>
<td>184413000</td>
</tr>
<tr>
<td>4</td>
<td>Accounts receivable, net</td>
<td>365308000</td>
<td>383173000</td>
</tr>
<tr>
<td>5</td>
<td>Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>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)</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Notes and loans receivable, net</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>Inventories for sale or use</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Prepaid expenses and deferred charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10a</td>
<td>Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D</td>
<td>6422849000</td>
<td></td>
</tr>
<tr>
<td>10b</td>
<td>Less: accumulated depreciation</td>
<td>2875046000</td>
<td>3547803000</td>
</tr>
<tr>
<td>11</td>
<td>Investments—publicly traded securities</td>
<td>3221781000</td>
<td>3331153000</td>
</tr>
<tr>
<td>12</td>
<td>Investments—other securities. See Part IV, line 11</td>
<td>661131000</td>
<td>714397000</td>
</tr>
<tr>
<td>13</td>
<td>Investments—program-related. See Part IV, line 11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Other assets. See Part IV, line 11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td><strong>Total assets.</strong> Add lines 1 through 15 (must equal line 34)</td>
<td>9700608000</td>
<td>10020989000</td>
</tr>
<tr>
<td>17</td>
<td>Accounts payable and accrued expenses</td>
<td>508426000</td>
<td>524705000</td>
</tr>
<tr>
<td>18</td>
<td>Grants payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Deferred revenue</td>
<td>245136000</td>
<td>253591000</td>
</tr>
<tr>
<td>20</td>
<td>Tax-exempt bond liabilities</td>
<td>1189658000</td>
<td>1152706000</td>
</tr>
<tr>
<td>21</td>
<td>Escrow or custodial account liability. Complete Part IV of Schedule D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Secured mortgages and notes payable to unrelated third parties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Unsecured notes and loans payable to unrelated third parties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>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</td>
<td>1981282000</td>
<td>2222989000</td>
</tr>
<tr>
<td>26</td>
<td><strong>Total liabilities.</strong> Add lines 17 through 25</td>
<td>3924502000</td>
<td>4153991000</td>
</tr>
<tr>
<td>27</td>
<td>Organizations that follow SFAS 117, check here ▶ and complete lines 27 through 29, and lines 33 and 34.</td>
<td>41111460000</td>
<td>42404260000</td>
</tr>
<tr>
<td>28</td>
<td>Unrestricted net assets</td>
<td>555375000</td>
<td>482208000</td>
</tr>
<tr>
<td>29</td>
<td>Temporarily restricted net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Permanently restricted net assets</td>
<td>1109271000</td>
<td>1144364000</td>
</tr>
<tr>
<td>31</td>
<td>Organizations that do not follow SFAS 117, check here ▶ and complete lines 30 through 34.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Capital stock or trust principal, or current funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Paid-in or capital surplus, or land, building, or equipment fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Retained earnings, endowment, accumulated income, or other funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Total net assets or fund balances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>Total liabilities and net assets/fund balances</td>
<td>9700608000</td>
<td>10020989000</td>
</tr>
</tbody>
</table>
### Part XI Reconciliation of Net Assets

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

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total revenue (must equal Part VIII, column (A), line 12)</td>
<td>4644503000</td>
</tr>
<tr>
<td>2</td>
<td>Total expenses (must equal Part IX, column (A), line 25)</td>
<td>4543331000</td>
</tr>
<tr>
<td>3</td>
<td>Revenue less expenses. Subtract line 2 from line 1</td>
<td>101172000</td>
</tr>
<tr>
<td>4</td>
<td>Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))</td>
<td>5776106000</td>
</tr>
<tr>
<td>5</td>
<td>Other changes in net assets or fund balances (explain in Schedule O)</td>
<td>(10280000)</td>
</tr>
<tr>
<td>6</td>
<td>Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))</td>
<td>5866998000</td>
</tr>
</tbody>
</table>

### Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII. ✔

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Accounting method used to prepare the Form 990: Cash ✓ Accrual Other</td>
<td>Yes/No</td>
</tr>
<tr>
<td></td>
<td>If the organization changed its method of accounting from a prior year or checked “Other,” explain in Schedule O.</td>
<td></td>
</tr>
<tr>
<td>2a</td>
<td>Were the organization’s financial statements compiled or reviewed by an independent accountant?</td>
<td>Yes</td>
</tr>
<tr>
<td>2b</td>
<td>Were the organization’s financial statements audited by an independent accountant?</td>
<td>Yes</td>
</tr>
<tr>
<td>2c</td>
<td>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?</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.</td>
<td></td>
</tr>
<tr>
<td>3a</td>
<td>If “Yes” to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis</td>
<td></td>
</tr>
<tr>
<td>3b</td>
<td>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?</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>Yes</td>
</tr>
</tbody>
</table>
**Public Charity Status and Public Support**

**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).
3. [ ] A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4. [ ] A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital’s name, city, and state:
5. [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
6. [ ] A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7. [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
8. [ ] A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
9. [ ] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
10. [ ] An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
11. [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.

| a | Type I |
| b | Type II |
| c | Type III—Functionally integrated |
| d | Type III—Other |

**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?

| (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? |
| (ii) A family member of a person described in (i) above? |
| (iii) A 35% controlled entity of a person described in (i) or (ii) above? |

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>11g(i)</td>
<td></td>
</tr>
<tr>
<td>11g(ii)</td>
<td></td>
</tr>
<tr>
<td>11g(iii)</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>(i) Name of supported organization</th>
<th>(ii) EIN</th>
<th>(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))</th>
<th>(iv) Is the organization in col. (i) listed in your governing document?</th>
<th>(v) Did you notify the organization in col. (i) of your support?</th>
<th>(vi) Is the organization in col. (i) organized in the U.S.?</th>
<th>(vii) Amount of support</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(B)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(C)</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(D)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(E)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

---

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
### 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

<table>
<thead>
<tr>
<th>Calendar year (or fiscal year beginning in)</th>
<th>(a) 2007</th>
<th>(b) 2008</th>
<th>(c) 2009</th>
<th>(d) 2010</th>
<th>(e) 2011</th>
<th>(f) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Gifts, grants, contributions, and membership fees received. (Do not include any &quot;unusual grants.&quot;)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Tax revenues levied for the organization’s benefit and either paid to or expended on its behalf</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 The value of services or facilities furnished by a governmental unit to the organization without charge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 <strong>Total.</strong> Add lines 1 through 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Public support. Subtract line 5 from line 4.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Section B. Total Support

<table>
<thead>
<tr>
<th>Calendar year (or fiscal year beginning in)</th>
<th>(a) 2007</th>
<th>(b) 2008</th>
<th>(c) 2009</th>
<th>(d) 2010</th>
<th>(e) 2011</th>
<th>(f) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 Amounts from line 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Net income from unrelated business activities, whether or not the business is regularly carried on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 <strong>Total support.</strong> Add lines 7 through 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Gross receipts from related activities, etc. (see instructions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>13 <strong>First five years.</strong> 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 <strong>stop here</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Section C. Computation of Public Support Percentage

| 14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2010 Schedule A, Part II, line 14 | 15 | % |
| 16a **33 1/3% support test—2011.** 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 |        |    |
| 16b **33 1/3% support test—2010.** 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—2011.** 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 |        |    |
| 17b **10%-facts-and-circumstances test—2010.** 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

<table>
<thead>
<tr>
<th>Calendar year (or fiscal year beginning in)</th>
<th>(a) 2007</th>
<th>(b) 2008</th>
<th>(c) 2009</th>
<th>(d) 2010</th>
<th>(e) 2011</th>
<th>(f) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Gifts, grants, contributions, and membership fees received. (Do not include any “unusual grants.”)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3  Gross receipts from activities that are not an unrelated trade or business under section 513</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4  Tax revenues levied for the organization’s benefit and either paid to or expended on its behalf</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5  The value of services or facilities furnished by a governmental unit to the organization without charge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6  Total. Add lines 1 through 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7a  Amounts included on lines 1, 2, and 3 received from disqualified persons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7b  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</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8  Public support (Subtract line 7c from line 6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Section B. Total Support

<table>
<thead>
<tr>
<th>Calendar year (or fiscal year beginning in)</th>
<th>(a) 2007</th>
<th>(b) 2008</th>
<th>(c) 2009</th>
<th>(d) 2010</th>
<th>(e) 2011</th>
<th>(f) Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>9  Amounts from line 6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10a  Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10b  Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10c  Add lines 10a and 10b</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11  Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12  Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13  Total support. (Add lines 9, 10c, 11, and 12)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Section C. Computation of Public Support Percentage

<table>
<thead>
<tr>
<th>(line 8, column (f) divided by line 13, column (f))</th>
<th>15</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>16  Public support percentage from 2010 Schedule A, Part III, line 15</td>
<td>16</td>
<td>%</td>
</tr>
</tbody>
</table>

#### Section D. Computation of Investment Income Percentage

<table>
<thead>
<tr>
<th>(line 10c, column (f) divided by line 13, column (f))</th>
<th>17</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>18  Investment income percentage from 2010 Schedule A, Part III, line 17</td>
<td>18</td>
<td>%</td>
</tr>
<tr>
<td>19a  33 1/3% support tests—2011. 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</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19b  33 1/3% support tests—2010. 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</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20  Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Supplemental Financial Statements

#### 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.

<table>
<thead>
<tr>
<th></th>
<th>(a) Donor advised funds</th>
<th>(b) Funds and other accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total number at end of year</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Aggregate contributions to (during year)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Aggregate grants from (during year)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Aggregate value at end of year</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>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?</td>
<td>Yes</td>
</tr>
<tr>
<td>6</td>
<td>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?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

#### Part II Conservation Easements

Complete if the organization answered “Yes” to Form 990, Part IV, line 7.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Held at the End of the Tax Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Total number of conservation easements</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Total acreage restricted by conservation easements</td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Number of conservation easements on a certified historic structure included in (a)</td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Number of states where property subject to conservation easement is located</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?</td>
<td>Yes</td>
</tr>
<tr>
<td>6</td>
<td>Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>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)?</td>
<td>Yes</td>
</tr>
<tr>
<td>9</td>
<td>In Part XIV, 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.</td>
<td></td>
</tr>
</tbody>
</table>

#### 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.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>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 XIV, the text of the footnote to its financial statements that describes these items.</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>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:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(i) Revenues included in Form 990, Part VIII, line 1</td>
<td>$318312</td>
</tr>
<tr>
<td></td>
<td>(ii) Assets included in Form 990, Part X</td>
<td>$23328583</td>
</tr>
<tr>
<td>2</td>
<td>If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide, the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a Revenues included in Form 990, Part VIII, line 1</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>b Assets included in Form 990, Part X</td>
<td>$</td>
</tr>
</tbody>
</table>
### 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):

- ✔ Public exhibition
- ✔ Scholarly research
- ✔ Preservation for future generations

#### 4
Provide a description of the organization’s collections and explain how they further the organization’s exempt purpose in Part XIV.

#### 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.

#### 1 a
Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

- [ ] Yes  [ ] No

#### 1 b
If “Yes,” explain the arrangement in Part XIV and complete the following table:

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1c</td>
</tr>
<tr>
<td>1d</td>
</tr>
<tr>
<td>1e</td>
</tr>
<tr>
<td>1f</td>
</tr>
</tbody>
</table>

#### 2 a
Did the organization include an amount on Form 990, Part X, line 21?

- [ ] Yes  [ ] No

#### 2 b
If “Yes,” explain the arrangement in Part XIV.

### Part V Endowment Funds.

Complete if the organization answered “Yes” to Form 990, Part IV, line 10.

#### 1 a
Beginning of year balance

<table>
<thead>
<tr>
<th>(a) Current year</th>
<th>(b) Prior year</th>
<th>(c) Two years back</th>
<th>(d) Three years back</th>
<th>(e) Four years back</th>
</tr>
</thead>
<tbody>
<tr>
<td>1737842091</td>
<td>1350316156</td>
<td>1171975780</td>
<td>1506319935</td>
<td></td>
</tr>
</tbody>
</table>

#### 1 b
Contributions

| 76169480 |

#### 1 c
Net investment earnings, gains, and losses

| 42551700 |

#### 1 d
Grants or scholarships

| (70842979) |

#### 1 e
Other expenditures for facilities and programs

| (65964277) |

#### 1 f
Administrative expenses

| (63400710) |

#### 1 g
End of year balance

| 1772920805 |

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

- Board designated or quasi-endowment  
  - [ ] Yes  ✔ [ ] No  
  - 27.4 %

- Permanent endowment  ✔ 72.3 %

- Temporarily restricted endowment  ✔ 3%

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

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

- [ ] unrelated organizations
- [ ] related organizations

#### 3 b
If “Yes” to 3a(ii), are the related organizations listed as required on Schedule R?

- ✔ [ ] No

#### 4
Describe in Part XIV the intended uses of the organization’s endowment funds.

### Part VI Land, Buildings, and Equipment.

See Form 990, Part X, line 10.

<table>
<thead>
<tr>
<th>Description of property</th>
<th>(a) Cost or other basis (investment)</th>
<th>(b) Cost or other basis (other)</th>
<th>(c) Accumulated depreciation</th>
<th>(d) Book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a Land</td>
<td>115127000</td>
<td></td>
<td></td>
<td>115127000</td>
</tr>
<tr>
<td>1b Buildings</td>
<td>4740770000</td>
<td>2160832679</td>
<td>2579937321</td>
<td></td>
</tr>
<tr>
<td>1c Leasehold improvements</td>
<td>534029000</td>
<td>243409259</td>
<td>290619741</td>
<td></td>
</tr>
<tr>
<td>1d Equipment</td>
<td>1023923000</td>
<td>470804062</td>
<td>562118938</td>
<td></td>
</tr>
</tbody>
</table>

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c)).  
- [ ] Yes  ✔ [ ] No  

| ✔ 3547803000 |

Schedule D (Form 990) 2011
### Part VII Investments—Other Securities
See Form 990, Part X, line 12.

<table>
<thead>
<tr>
<th>(a) Description of security or category (including name of security)</th>
<th>(b) Book value</th>
<th>(c) Method of valuation: Cost or end-of-year market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Financial derivatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Closely-held equity interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) Private capital</td>
<td>714397000</td>
<td>end-of-year market value</td>
</tr>
<tr>
<td>(B)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(C)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(D)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(E)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(F)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(G)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(H)</td>
<td></td>
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<tr>
<td><strong>Total</strong> (Column (b) must equal Form 990, Part X, col. (B) line 12.)</td>
<td><strong>714397000</strong></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>(a) Description of investment type</th>
<th>(b) Book value</th>
<th>(c) Method of valuation: Cost or end-of-year market value</th>
</tr>
</thead>
<tbody>
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<tr>
<td><strong>Total</strong> (Column (b) must equal Form 990, Part X, col. (B) line 13.)</td>
<td><strong>714397000</strong></td>
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</tbody>
</table>

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

<table>
<thead>
<tr>
<th>(a) Description</th>
<th>(b) Book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Deferred bond costs, net</td>
<td>6241000</td>
</tr>
<tr>
<td>(2) Beneficial interest in perpetual trusts</td>
<td>12891000</td>
</tr>
<tr>
<td>(3) Other assets</td>
<td>23147000</td>
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<tr>
<td>(4)</td>
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<tr>
<td><strong>Total</strong> (Column (b) must equal Form 990, Part X, col. (B) line 15.)</td>
<td><strong>42279000</strong></td>
</tr>
</tbody>
</table>

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

1. **(a) Description of liability**

<table>
<thead>
<tr>
<th>(b) Book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Federal income taxes</td>
</tr>
<tr>
<td>(2) Present value of annuities payable</td>
</tr>
<tr>
<td>(3) Accrued postretirement benefits</td>
</tr>
<tr>
<td>(4) Deposits held in custody of others</td>
</tr>
<tr>
<td>(5) Refundable US Government student loans</td>
</tr>
<tr>
<td>(6) Other liabilities</td>
</tr>
<tr>
<td>(7)</td>
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<td>(8)</td>
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<tr>
<td><strong>Total</strong> (Column (b) must equal Form 990, Part X, col. (B) line 25.)</td>
</tr>
</tbody>
</table>

2. **FIN 48 (ASC 740) Footnote.** In Part XIV, 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).
Part XI  Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1 Total revenue (Form 990, Part VIII, column (A), line 12)  ........................................ 1 4644503000
2 Total expenses (Form 990, Part IX, column (A), line 25)  ......................................... 2 4543331000
3 Excess or (deficit) for the year. Subtract line 2 from line 1  .................................. 3 101172000
4 Net unrealized gains (losses) on investments  ......................................................... 4 (10280000)
5 Donated services and use of facilities  ................................................................. 5
6 Investment expenses  ....................................................................................... 6
7 Prior period adjustments  .............................................................................. 7
8 Other (Describe in Part XIV.)  ........................................................................ 8
9 Total adjustments (net). Add lines 4 through 8  ........................................... 9 (10280000)
10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9  ...... 10 90892000

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

1 Total revenue, gains, and other support per audited financial statements  .. 1 4634223000
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:
   a Net unrealized gains on investments  .................................................. 2a (10280000)
   b Donated services and use of facilities  ............................................. 2b
   c Recoveries of prior year grants  ......................................................... 2c
   d Other (Describe in Part XIV.)  ......................................................... 2d
   e Add lines 2a through 2d  ............................................................. 2e (10280000)
3 Subtract line 2e from line 1  .................................................................. 3 4644503000
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 XIV.)  ......................................................... 4b
   c Add lines 4a and 4b  ................................................................. 4c
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)  .... 5 4644503000

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

1 Total expenses and losses per audited financial statements  .......................... 1 4543331000
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 XIV.)  ......................................................... 2d
   e Add lines 2a through 2d  ............................................................. 2e
3 Subtract line 2e from line 1  .................................................................. 3 4543331000
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 XIV.)  ......................................................... 4b
   c Add lines 4a and 4b  ................................................................. 4c
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)  .... 5 4543331000

Part XIV  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, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PSU and surrounding communities in central Pennsylvania. The museum offers an ever-changing array of exhibitions and displays of its permanent collection. With eleven galleries, a print-study room, 150-seat auditorium, and outdoor sculpture garden, the Palmer Museum is a unique cultural resource for residents of and visitors to the region. The Palmer Museum supports the educational mission of the School of Art as well as the entire University and the University's community benefit mission.

Schedule D (Form 990) 2011
Part V - Each endowed gift to Penn State is formalized through the creation of guidelines, specific to that endowment, which provide an opportunity for donors to express their intentions for how the gift is to be directed and used by the University. Guidelines are created for the student, faculty, and program support and indicate the particular college, campus, or program to benefit from the endowed fund.
**SCHEDULE E**  
(Form 990 or 990-EZ)

**Department of the Treasury**  
**Internal Revenue Service**

**Name of the organization**

The Pennsylvania State University

**Employer identification number**

246000376

---

**Part I**

**1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?**

![Yes](false) ✔

**2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?**

![Yes](false) ✔

**3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?**

If “Yes,” please describe. If “No,” please explain. If you need more space, use Part II.

![Yes](false) ✔

**4 Does the organization maintain the following?**

- **a** Records indicating the racial composition of the student body, faculty, and administrative staff?

![Yes](false) ✔

- **b** Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?

![Yes](false) ✔

- **c** Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?

![Yes](false) ✔

- **d** Copies of all material used by the organization or on its behalf to solicit contributions?

If you answered “No” to any of the above, please explain. If you need more space, use Part II.

![Yes](false) ✔

**5 Does the organization discriminate by race in any way with respect to:**

- **a** Students’ rights or privileges?

![Yes](false) ✔

- **b** Admissions policies?

![Yes](false) ✔

- **c** Employment of faculty or administrative staff?

![Yes](false) ✔

- **d** Scholarships or other financial assistance?

![Yes](false) ✔

- **e** Educational policies?

![Yes](false) ✔

- **f** Use of facilities?

![Yes](false) ✔

- **g** Athletic programs?

![Yes](false) ✔

- **h** Other extracurricular activities?

If you answered “Yes” to any of the above, please explain. If you need more space, use Part II.

![Yes](false) ✔

**6a Does the organization receive any financial aid or assistance from a governmental agency?**

![Yes](false) ✔

**b Has the organization’s right to such aid ever been revoked or suspended?**

If you answered “Yes” to either line 6a or line 6b, explain on Part II.

![Yes](false) ✔

**7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination?**

If “No,” explain on Part II.

![Yes](false) ✔
Part II  Supplemental Information. Complete this part to provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information (see instructions).
## Statement of Activities Outside the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16. Attach to Form 990. See separate instructions.

### Part I General Information on Activities Outside the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

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

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

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

<table>
<thead>
<tr>
<th>(a) Region</th>
<th>(b) Number of offices in the region</th>
<th>(c) Number of employees, agents, and independent contractors in region</th>
<th>(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)</th>
<th>(e) If activity listed in (d) is a program service, describe specific type of service(s) in region</th>
<th>(f) Total expenditures for and investments in region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.  Europe</td>
<td></td>
<td>program services</td>
<td>educat./research</td>
<td></td>
<td>3510194</td>
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<tr>
<td>2.  East Asia and the Pacific</td>
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<td>program services</td>
<td>educat./research</td>
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<td>1352351</td>
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<tr>
<td>3.  North America</td>
<td></td>
<td>program services</td>
<td>educat./research</td>
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<td>4.  Sub-Saharan Africa</td>
<td></td>
<td>program services</td>
<td>educat./research</td>
<td></td>
<td>549107</td>
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<td>5.  Central America / Caribbea</td>
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<td>program services</td>
<td>educat./research</td>
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<td>6.  South America</td>
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<td>program services</td>
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<td>7.  South Asia</td>
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<td>program services</td>
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<td>8.  Middle East &amp; North Africa</td>
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<td>program services</td>
<td>educat./research</td>
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<td>167075</td>
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<td>9.  Russia &amp; Newly Indep. Stat</td>
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<td>program services</td>
<td>educat./research</td>
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<td>10. Europe</td>
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<td>Investments</td>
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<td>11. Asia / Pacific</td>
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<td>Investments</td>
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<td>Investments</td>
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<td>13. Middle East &amp; Africa</td>
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<td>Investments</td>
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<td>3a Sub-total</td>
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<td>649066435</td>
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<tr>
<td>b Total from continuation sheets to Part I</td>
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<tr>
<td>c Totals (add lines 3a and 3b)</td>
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<td>649066435</td>
</tr>
</tbody>
</table>

For Paperwork Reduction Act Notice, see the Instructions for Form 990.
### Part II Grants and Other Assistance to Organizations or Entities Outside the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000.

Part II can be duplicated if additional space is needed.

<table>
<thead>
<tr>
<th></th>
<th>(a) Name of organization</th>
<th>(b) IRS code section and EIN (if applicable)</th>
<th>(c) Region</th>
<th>(d) Purpose of grant</th>
<th>(e) Amount of cash grant</th>
<th>(f) Manner of cash disbursement</th>
<th>(g) Amount of non-cash assistance</th>
<th>(h) Description of non-cash assistance</th>
<th>(i) Method of valuation (book, FMV, appraisal, other)</th>
</tr>
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</table>

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

3. Enter total number of other organizations or entities.

---

Schedule F (Form 990) 2011
### Part III Grants and Other Assistance to Individuals Outside the United States

Complete if the organization answered “Yes” to Form 990, Part IV, line 16.

Part III can be duplicated if additional space is needed.

<table>
<thead>
<tr>
<th></th>
<th>(a) Type of grant or assistance</th>
<th>(b) Region</th>
<th>(c) Number of recipients</th>
<th>(d) Amount of cash grant</th>
<th>(e) Manner of cash disbursement</th>
<th>(f) Amount of non-cash assistance</th>
<th>(g) Description of non-cash assistance</th>
<th>(h) Method of valuation (book, FMV, appraisal, other)</th>
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<tbody>
<tr>
<td>(1)</td>
<td>Student Aid</td>
<td>Sub-Saharan Africa</td>
<td>50</td>
<td>594483</td>
<td>deposits</td>
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<tr>
<td>(2)</td>
<td>Student Aid</td>
<td>East Asia and Pacific</td>
<td>149</td>
<td>1771560</td>
<td>deposits</td>
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<td>Student Aid</td>
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<td>12484151</td>
<td>deposits</td>
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<tr>
<td>(4)</td>
<td>Student Aid</td>
<td>South America</td>
<td>75</td>
<td>891725</td>
<td>deposits</td>
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<tr>
<td>(5)</td>
<td>Student Aid</td>
<td>Africa &amp; Middle East</td>
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<td>570704</td>
<td>deposits</td>
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<td>Student Aid</td>
<td>North America</td>
<td>25</td>
<td>297242</td>
<td>deposits</td>
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<td>(7)</td>
<td>Student Aid</td>
<td>Cent Amer &amp; Carribean</td>
<td>2</td>
<td>23779</td>
<td>deposits</td>
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</table>
**Part IV Foreign Forms**

1. Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If “Yes,” the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926).*

   - **Yes**
   - **No**

2. Did the organization have an interest in a foreign trust during the tax year? *If “Yes,” the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A).*

   - **Yes**
   - **No**

3. Did the organization have an ownership interest in a foreign corporation during the tax year? *If “Yes,” the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471).*

   - **Yes**
   - **No**

4. Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If “Yes,” the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621).*

   - **Yes**
   - **No**

5. Did the organization have an ownership interest in a foreign partnership during the tax year? *If “Yes,” the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865).*

   - **Yes**
   - **No**

6. Did the organization have any operations in or related to any boycotting countries during the tax year? *If “Yes,” the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

   - **Yes**
   - **No**
Supplemental Information

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

University aid is passed from the University to the Penn State program abroad, which has been visited and evaluated by appropriate University personnel prior to student enrollment. Students participating in a non-Penn State program cannot receive financial aid from the University.
**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.

**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.
   - Mail solicitations
   - Internet and email solicitations
   - Phone solicitations
   - In-person solicitations
   - Solicitation of non-government grants
   - Solicitation of government grants
   - 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

2b. 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.

<table>
<thead>
<tr>
<th>(i) Name and address of individual or entity (fundraiser)</th>
<th>(ii) Activity</th>
<th>(iii) Did fundraiser have custody or control of contributions?</th>
<th>(iv) Gross receipts from activity</th>
<th>(v) Amount paid to (or retained by) fundraiser listed in col. (i)</th>
<th>(vi) Amount paid to (or retained by) organization</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
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</table>

Total

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

**Pennsylvania**

[List of Pennsylvania states]
### 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.

<table>
<thead>
<tr>
<th>(a) Event #1 Thon (event type)</th>
<th>(b) Event #2 Connoisseur Dinn. (event type)</th>
<th>(c) Other events (total number)</th>
<th>(d) Total events (add col. (a) through col. (c))</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Gross receipts</td>
<td>10711765</td>
<td>128026</td>
<td>304486</td>
</tr>
<tr>
<td>2 Less: Charitable contributions</td>
<td>10533819</td>
<td>23440</td>
<td>37668</td>
</tr>
<tr>
<td>3 Gross income (line 1 minus line 2)</td>
<td>177946</td>
<td>104586</td>
<td>266818</td>
</tr>
<tr>
<td>4 Cash prizes</td>
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<tr>
<td>5 Noncash prizes</td>
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<td></td>
<td></td>
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<tr>
<td>6 Rent/facility costs</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>7 Food and beverages</td>
<td></td>
<td></td>
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<tr>
<td>8 Entertainment</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>9 Other direct expenses</td>
<td>399037</td>
<td>48655</td>
<td>335849</td>
</tr>
<tr>
<td>10 Direct expense summary. Add lines 4 through 9 in column (d)</td>
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<tr>
<td>11 Net income summary. Combine line 3, column (d), and line 10</td>
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</tbody>
</table>

### 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.

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

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: 

---

Schedule G (Form 990 or 990-EZ) 2011
Schedule G (Form 990 or 990-EZ) 2011

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>11</td>
<td>Does the organization operate gaming activities with nonmembers? □ Yes □ No</td>
</tr>
<tr>
<td>12</td>
<td>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</td>
</tr>
</tbody>
</table>
| 13 | Indicate the percentage of gaming activity operated in:  
   a) The organization’s facility %  
   b) An outside facility % |
| 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 |
| 15b | If “Yes,” enter the amount of gaming revenue received by the organization $ and the  
    amount of gaming revenue retained by the third party $ |
| 15c | If “Yes,” enter name and address of the third party:  
   Name: ...........................................................................................................................................................................  
   Address: ........................................................................................................................................................................... |
| 16 | Gaming manager information:  
   Name: ...........................................................................................................................................................................  
   Gaming manager compensation $ |
|   | □ 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).
Name of the organization
The Pennsylvania State University

Employer identification number
24 6000376

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If “No,” skip to question 6a.

b If “Yes,” was it a written policy?

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.

a Applied uniformly to all hospital facilities

b Applied uniformly to most hospital facilities

c 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) to determine eligibility for providing free care? If “Yes,” indicate which of the following was the FPG family income limit for eligibility for free care.

b Did the organization use FPG to determine eligibility for providing discounted care? If “Yes,” indicate which of the following was the family income limit for eligibility for discounted care.

c If the organization did not use FPG to determine 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, to determine 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”?

5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?

b If “Yes,” did the organization’s financial assistance expenses exceed the budgeted amount?

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?

6a Did the organization prepare a community benefit report during the tax year?

b If “Yes,” did the organization make it available to the public?

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

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

Financial Assistance at cost

Medicaid (from Worksheet 3, column a)

Costs of other means-tested government programs (from Worksheet 3, column b)

Total Financial Assistance and Means-Tested Government Programs

Other Benefits

Community health improvement services and community benefit operations (from Worksheet 4)

Health professions education (from Worksheet 5)

Subsidized health services (from Worksheet 6)

Research (from Worksheet 7)

Cash and in-kind contributions for community benefit (from Worksheet 8)

Total, Other Benefits

Total

For Paperwork Reduction Act Notice, see the Instructions for Form 990.
### 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.

<table>
<thead>
<tr>
<th></th>
<th>(a) Number of activities or programs (optional)</th>
<th>(b) Persons served (optional)</th>
<th>(c) Total community building expense</th>
<th>(d) Direct offsetting revenue</th>
<th>(e) Net community building expense</th>
<th>(f) Percent of total expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Physical improvements and housing</td>
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<tr>
<td>2</td>
<td>Economic development</td>
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<td>3</td>
<td>Community support</td>
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<td>Environmental improvements</td>
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<td>5</td>
<td>Leadership development and training for community members</td>
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<td>6</td>
<td>Coalition building</td>
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<td>Community health improvement advocacy</td>
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<td>Workforce development</td>
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<td>9</td>
<td>Other</td>
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<td><strong>Total</strong></td>
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</table>

### Part III  Bad Debt, Medicare, & Collection Practices

#### Section A. Bad Debt Expense

1. Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?  
   - Yes  ✔
2. Enter the amount of the organization’s bad debt expense:  
   - 51384000
3. Enter the estimated amount of the organization’s bad debt expense attributable to patients eligible under the organization’s financial assistance policy:  
   - 3
4. Provide in Part VI the text of the footnote to the organization’s financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.

#### Section B. Medicare

5. Enter total revenue received from Medicare (including DSH and IME):  
   - 259785223
6. Enter Medicare allowable costs of care relating to payments on line 5:  
   - 318890420
7. Subtract line 6 from line 5. This is the surplus (or shortfall):  
   - -59105197
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?  
   - Yes  ✔
9b. 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.  
   - Yes  ✔

### Part IV  Management Companies and Joint Ventures (see instructions)

<table>
<thead>
<tr>
<th></th>
<th>(a) Name of entity</th>
<th>(b) Description of primary activity of entity</th>
<th>(c) Organization’s profit % or stock ownership %</th>
<th>(d) Officers, directors, trustees, or key employees’ profit % or stock ownership %</th>
<th>(e) Physicians’ profit % or stock ownership %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PA Psychiatric Institute</td>
<td>JV providing IP &amp; OP psychiatric care</td>
<td>50%</td>
<td>0%</td>
<td>0%</td>
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### Part V  Facility Information

#### Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

<table>
<thead>
<tr>
<th>Name and address</th>
<th>Licensed hospital</th>
<th>General medical &amp; surgical</th>
<th>Children’s hospital</th>
<th>Teaching hospital</th>
<th>Critical access hospital</th>
<th>Research Facility</th>
<th>ER-24 hours</th>
<th>ER-other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Penn State Milton S. Hershey Medical Center</td>
<td>✔ ✔ ✔ ✔</td>
<td>✔ ✔ ✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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</tr>
<tr>
<td>500 University Ave</td>
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<td>Hershey PA 17033</td>
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</table>
**Part V Facility Information (continued)**

Section B. Facility Policies and Practices

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

Name of Hospital Facility: **Penn State Milton S. Hershey Medical Center**

<table>
<thead>
<tr>
<th>Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1.</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

**Community Health Needs Assessment** (Lines 1 through 7 are optional for tax year 2011)

1. **During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)?** If “No,” skip to line 8.
   - **If “Yes,” indicate what the Needs Assessment describes (check all that apply):**
     - A definition of the community served by the hospital facility
     - Demographics of the community
     - Existing health care facilities and resources within the community that are available to respond to the health needs of the community
     - How data was obtained
     - The health needs of the community
     - Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
     - The process for identifying and prioritizing community health needs and services to meet the community health needs
     - The process for consulting with persons representing the community’s interests
     - Information gaps that limit the hospital facility’s ability to assess the community’s health needs
     - Other (describe in Part VI)

2. **Indicate the tax year the hospital facility last conducted a Needs Assessment:** 20__ __

3. **In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility?** 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 Needs Assessment 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 Needs Assessment widely available to the public?**
   - Hospital facility’s website
   - Available upon request from the hospital facility
   - Other (describe in Part VI)

6. **If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):**
   - Adoption of an implementation strategy to address the health needs of the hospital facility’s community
   - Execution of the implementation strategy
   - Participation in the development of a community-wide community benefit plan
   - Participation in the execution of a community-wide community benefit plan
   - Inclusion of a community benefit section in operational plans
   - Adoption of a budget for provision of services that address the needs identified in the Needs Assessment
   - Prioritization of health needs in its community
   - Prioritization of services that the hospital facility will undertake to meet health needs in its community
   - Other (describe in Part VI)

7. **Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment?** If “No,” explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs.

**Financial Assistance Policy**

8. **Did the hospital facility have in place during the tax year a written financial assistance policy that: Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?**

9. **Used federal poverty guidelines (FPG) to determine eligibility for providing free care?**
   - **If “Yes,” indicate the FPG family income limit for eligibility for free care:** 2 5 0%
   - **If “No,” explain in Part VI the criteria the hospital facility used.**
### Part V Facility Information (continued)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Used FPG to determine eligibility for providing discounted care?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>11</td>
<td>Explained the basis for calculating amounts charged to patients?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

#### 10
- If “Yes,” indicate the FPG family income limit for eligibility for discounted care: 4 0 0 %
- If “No,” explain in Part VI the criteria the hospital facility used.

#### 11
- If “Yes,” indicate the factors used in determining such amounts (check all that apply):
  - Income level
  - Asset level
  - Medical indigency
  - Insurance status
  - Uninsured discount
  - Medicaid/Medicare
  - State regulation
  - Other (describe in Part VI)

#### 12
- Explained the method for applying for financial assistance? Yes

#### 13
- Included measures to publicize the policy within the community served by the hospital facility? Yes

#### Billing and Collections

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>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?</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>
| 15 | 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:
  - Reporting to credit agency
  - Lawsuits
  - Liens on residences
  - Body attachments
  - Other similar actions (describe in Part VI)
| 16 | 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? |
|   |   | Yes | No |
|   | Reporting to credit agency
|   | Lawsuits
|   | Liens on residences
|   | Body attachments
|   | Other similar actions (describe in Part VI)
| 17 | Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply):
  - Notified patients of the financial assistance policy on admission
  - Notified patients of the financial assistance policy prior to discharge
  - Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills
  - Documented its determination of whether patients were eligible for financial assistance under the hospital facility’s financial assistance policy
  - Other (describe in Part VI)
### Part V Facility Information (continued)

### Policy Relating to Emergency Medical Care

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>✓</td>
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</tr>
</tbody>
</table>

**18. 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?**

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)

### Individuals Eligible for Financial Assistance

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>19</td>
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</table>

**19. 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)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>20</td>
<td>✓</td>
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</tbody>
</table>

**20. Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility’s financial assistance policy, and 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?**

If “Yes,” explain in Part VI.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
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<tbody>
<tr>
<td>21</td>
<td>✓</td>
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</table>

**21. Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?**

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? ________________

<table>
<thead>
<tr>
<th>Name and address</th>
<th>Type of Facility (describe)</th>
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<tbody>
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</table>
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, 9, 10, 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 policy.

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

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

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

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

---

19. Our charity care write-offs are net of any payments but remain at the charge level.

1. **Hospital Medicare costs were calculated using MCCR (as filed) Schedule B1, total costs , subtracting out GME costs (reported on part 1, 7f)**

   and then multiplying that result by the Medicare payer mix for the hospital entity.

   The Professional Medicare costs were calculated by taking the total WRVU for the professional entity and Multiplying that result by the Average cost per WRVU(including malp costs) that result is then calculated by the medicare payer mix for the professional entity.

2. **Penn State Hershey Medical Center was the co-sponsor of a health needs assessment in 2007. The study, entitled Enhancing Public Health**

   **In Dauphin County, was commissioned by the Dauphin County Health Improvement Partnership to assess the feasibility of establishing**

   **a Dauphin County Health Department that might address the many public health threats and challenges in the community. The study was completed by Drexel University School of Public Health in August 2007. Penn State Hershey was one of 11 sponsors of the study.**

3. **A new collaborative study conducted jointly between Penn State Hershey Medical Center, PinnacleHealth System and Holy Spirit Hospital**

   **Health System to assess health disparities and opportunities in the Capital Region is underway and scheduled for completion July 2012**

4. **Penn State Hershey Medical Center and its Medical Group practices serve an increasingly diverse community. As the only teaching and research hospital located between Philadelphia, Pittsburgh, Baltimore and Rochester, Penn State Hershey serves more than 4 million people in 28 counties. Our care settings range from urban to rural, many of which are considered under-served. In addition to providing care to a growing Hispanic population in nearby Lebanon County. We continue to be a distinct health care destination for the Amish and Mennonite communities that are concentrated in central Pennsylvania.**
# SCHEDULE I
(Form 990)

## 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.

---

### 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. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed.

<table>
<thead>
<tr>
<th>(a) Name and address of organization or government</th>
<th>(b) EIN</th>
<th>(c) IRC section if applicable</th>
<th>(d) Amount of cash grant</th>
<th>(e) Amount of non-cash assistance</th>
<th>(f) Method of valuation (book, FMV, appraisal, other)</th>
<th>(g) Description of non-cash assistance</th>
<th>(h) Purpose of grant or assistance</th>
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</table>

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

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

---

For Paperwork Reduction Act Notice, see the Instructions for Form 990.
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.

<table>
<thead>
<tr>
<th></th>
<th>(a) Type of grant or assistance</th>
<th>(b) Number of recipients</th>
<th>(c) Amount of cash grant</th>
<th>(d) Amount of non-cash assistance</th>
<th>(e) Method of valuation (book, FMV, appraisal, other)</th>
<th>(f) Description of non-cash assistance</th>
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<tr>
<td>1</td>
<td>Student Aid for Univ. enrollees</td>
<td>73000</td>
<td>1130945150</td>
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</table>

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

Penn State participates in all the major federal and state student aid programs. Federal and state funding sources comprise 70 percent of all student aid at Penn State, the majority of which is available in the form of federal education loans for students and parents. Eligibility for these programs is determined based on the information students report on the Free Application for Federal Student Aid (FAFSA) each year, in accordance with federal and state regulations. Student aid funds are awarded based on financial need and these limited funds are distributed first to students with the greatest financial need. The University has a wide array of monitoring procedures and controls in place to ensure compliance with federal, state, and local laws as well as its own internal policies.
### Part I Questions Regarding Compensation

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<tr>
<th></th>
<th>Yes</th>
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<tbody>
<tr>
<td>1a</td>
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</tr>
<tr>
<td>✔</td>
<td>First-class or charter travel</td>
<td>✔ Housing allowance or residence for personal use</td>
</tr>
<tr>
<td>✔</td>
<td>Travel for companions</td>
<td>☐ Payments for business use of personal residence</td>
</tr>
<tr>
<td>☐</td>
<td>Tax indemnification and gross-up payments</td>
<td>✔ Health or social club dues or initiation fees</td>
</tr>
<tr>
<td>☐</td>
<td>Discretionary spending account</td>
<td>✔ Personal services (e.g., maid, chauffeur, chef)</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
| 1b | ✔ | |**Answer:**

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?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>✔</td>
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</tr>
</tbody>
</table>

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. Explain in Part III.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔</td>
<td>Compensation committee</td>
<td>✔ Written employment contract</td>
</tr>
<tr>
<td>✔</td>
<td>Independent compensation consultant</td>
<td>✔ Compensation survey or study</td>
</tr>
<tr>
<td>✔</td>
<td>Form 990 of other organizations</td>
<td>✔ Approval by the board or compensation committee</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
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</tr>
<tr>
<td>✔</td>
<td>Receive a severance payment or change-of-control payment?</td>
<td></td>
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<tr>
<td>b</td>
<td></td>
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</tr>
<tr>
<td>✔</td>
<td>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
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<tr>
<td>✔</td>
<td>Participate in, or receive payment from, an equity-based compensation arrangement?</td>
<td></td>
</tr>
</tbody>
</table>

If “Yes” to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

4c  ✔

**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:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>a</td>
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<tr>
<td>The organization?</td>
<td>5a</td>
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<td>b</td>
<td></td>
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<tr>
<td>Any related organization?</td>
<td>5b</td>
<td></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>a</td>
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<tr>
<td>The organization?</td>
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<tr>
<td>Any related organization?</td>
<td>6b</td>
<td></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9  If “Yes” to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
| 9 | | |**Answer:**

For Paperwork Reduction Act Notice, see the Instructions for Form 990.
**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.

<table>
<thead>
<tr>
<th>(A) Name</th>
<th>(B) Breakdown of W-2 and/or 1099-MISC compensation</th>
<th>(C) Retirement and other deferred compensation</th>
<th>(D) Nontaxable benefits</th>
<th>(E) Total of columns (B)(i)–(D)</th>
<th>(F) Compensation reported as deferred in prior Form 990</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(i) Base compensation</td>
<td>(ii) Bonus &amp; incentive compensation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rodney Erickson</td>
<td>459121</td>
<td>944</td>
<td>25594</td>
<td>19896</td>
<td>505555</td>
</tr>
<tr>
<td>Graham Spanier</td>
<td>700000</td>
<td>2555762</td>
<td>22760</td>
<td>7415</td>
<td>3285937</td>
</tr>
<tr>
<td>Rodney Kirsch</td>
<td>375000</td>
<td>433</td>
<td>22760</td>
<td>21693</td>
<td>419886</td>
</tr>
<tr>
<td>Robert Pangborn</td>
<td>272529</td>
<td>16995</td>
<td>22760</td>
<td>18068</td>
<td>330352</td>
</tr>
<tr>
<td>Harold Paz</td>
<td>756000</td>
<td>143522</td>
<td>83237</td>
<td>22760</td>
<td>24990 1030510</td>
</tr>
<tr>
<td>Albert Horvath</td>
<td>285343</td>
<td>73656</td>
<td>22760</td>
<td>12603</td>
<td>394362</td>
</tr>
<tr>
<td>Joseph Paterno</td>
<td>596394</td>
<td>457162</td>
<td>18687</td>
<td>17605</td>
<td>1089848</td>
</tr>
<tr>
<td>Robert Harbaugh</td>
<td>763738</td>
<td>130020</td>
<td>31410</td>
<td>16156</td>
<td>941324</td>
</tr>
<tr>
<td>Alan Brechbill</td>
<td>631507</td>
<td>158850</td>
<td>56228</td>
<td>31410</td>
<td>20656 898651</td>
</tr>
<tr>
<td>John Myers</td>
<td>74079</td>
<td>37460</td>
<td>31410</td>
<td>16156</td>
<td>830105</td>
</tr>
<tr>
<td>Peter Dillon</td>
<td>619489</td>
<td>102500</td>
<td>31410</td>
<td>16156</td>
<td>769555</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part III  Supplemental Information
Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Question 1(a) - Payment of Expenses
Officers and other University employees utilize charter travel in limited instances where the business advantage justifies any additional cost incurred. Penn State pays for spousal travel expense which serves a legitimate university business purpose. The University's former President lived in a University-owned residence that is located on campus. The residence was used for significant university duties. In connection with this business use of the residence, personal services were provided. In addition, the University pays for a social club membership that it's President and other University personnel use primarily for business purposes.

Part I, Question 4(b) - Amounts included in compensation from participation in supplemental nonqualified retirement plan
Graham Spanier - 1,248,205 (see below)
Harold Paz - 47,472
Alan Brechbill - 60,015

Part I, Line 4(a) & Part II, Line 2 - Details on Graham Spanier's Compensation
On November 9, 2011, the University’s Board of Trustees removed Dr. Graham Spanier from his position as University President. The University reported taxable income for Dr. Spanier of $3,255,762 for 2011. The "other reportable compensation" on Schedule J for Dr. Spanier of $2,555,762 includes $82,557 of taxable benefits as well as non-recurring compensation of $2,473,205 that Dr. Spanier was contractually entitled to receive under the terms of his 2010 employment agreement upon termination of his employment as University President. Such non-recurring compensation includes contractually entitled severance payments of $1,225,000 and $1,248,205 of deferred compensation earned over Dr. Spanier's 16+ year term as University President. Payment of the net amount of the deferred compensation after required tax withholdings ($860,637) will be deferred until June, 2017.
Part III Supplemental Information

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

Part II(C) - Deferred Compensation

Note: Deferred compensation includes contributions to qualified retirement plans, including those offered to all full-time University employees by the PA State Employees' Retirement System and TIAA Cref.
## 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.

### Part I  Bond Issues

<table>
<thead>
<tr>
<th>(a) Issuer name</th>
<th>(b) Issuer EIN</th>
<th>(c) CUSIP #</th>
<th>(d) Date issued</th>
<th>(e) Issue price</th>
<th>(f) Description of purpose</th>
<th>(g) Defeased</th>
<th>(h) On behalf of issuer</th>
<th>(i) Pooled financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>A The Pennsylvania State University</td>
<td>24-6000376</td>
<td>709235UG</td>
<td>2010</td>
<td>145004581</td>
<td>Construction &amp; renovation</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>B The Pennsylvania State University</td>
<td>24-6000376</td>
<td>709235TM</td>
<td>2009</td>
<td>149999437</td>
<td>Construction &amp; renovation</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>C The Pennsylvania State University</td>
<td>24-6000376</td>
<td>709235TQ</td>
<td>2009</td>
<td>75004075</td>
<td>Refunding - 2001 series bonds</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>D The Pennsylvania State University</td>
<td>24-6000376</td>
<td>709235SD</td>
<td>2008</td>
<td>80570622</td>
<td>Construction &amp; renovation</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### Part II  Proceeds

<table>
<thead>
<tr>
<th>1 Amount of bonds retired</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Amount of bonds legally defeased</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Total proceeds of issue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Gross proceeds in reserve funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Capitalized interest from proceeds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Proceeds in refunding escrows</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Issuance costs from proceeds</td>
<td>1798500000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Credit enhancement from proceeds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Working capital expenditures from proceeds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Capital expenditures from proceeds</td>
<td>144269825</td>
<td>149083058</td>
<td>0</td>
<td>80838977</td>
</tr>
<tr>
<td>11 Other spent proceeds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Other unspent proceeds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 Year of substantial completion</td>
<td>2012</td>
<td>2011</td>
<td>2009</td>
<td>2010</td>
</tr>
</tbody>
</table>

### Part III  Private Business Use

<table>
<thead>
<tr>
<th>1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Are there any lease arrangements that may result in private business use of bond-financed property?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Part III Private Business Use (Continued)

<p>| | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3a</td>
<td>Are there any management or service contracts that may result in private business use of bond-financed property?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>b</td>
<td>If &quot;Yes&quot; 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?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Are there any research agreements that may result in private business use of bond-financed property?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>If &quot;Yes&quot; to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total of lines 4 and 5</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part IV Arbitrage

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>2</td>
<td>Is the bond issue a variable rate issue?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>3a</td>
<td>Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>b</td>
<td>Name of provider</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Term of hedge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>Was the hedge superintegrated?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td>Was the hedge terminated?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a</td>
<td>Were gross proceeds invested in a guaranteed investment contract (GIC)?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>b</td>
<td>Name of provider</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Term of GIC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Were any gross proceeds invested beyond an available temporary period?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>6</td>
<td>Did the bond issue qualify for an exception to rebate?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

### Part V Procedures To Undertake Corrective Action

Check the box if 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.

- ✔ Yes
- ✔ No

### Part VI Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions).
### 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.

#### Part I  Bond Issues

<table>
<thead>
<tr>
<th>(a) Issuer name</th>
<th>(b) Issuer EIN</th>
<th>(c) CUSIP #</th>
<th>(d) Date issued</th>
<th>(e) Issue price</th>
<th>(f) Description of purpose</th>
<th>(g) Defeased</th>
<th>(h) On behalf of issuer</th>
<th>(i) Pooled financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>A  The Pennsylvania State University</td>
<td>24-6000376</td>
<td>709235SN</td>
<td>2008</td>
<td>8415881</td>
<td>Construction &amp; renovation</td>
<td>Yes</td>
<td>No</td>
<td>Yes No Yes No Yes Yes No</td>
</tr>
<tr>
<td>B  The Pennsylvania State University</td>
<td>24-6000376</td>
<td>709235QG</td>
<td>2007</td>
<td>90595737</td>
<td>Construction &amp; renovation</td>
<td>Yes</td>
<td>No</td>
<td>Yes No Yes No Yes No</td>
</tr>
<tr>
<td>C  The Pennsylvania State University</td>
<td>24-6000376</td>
<td>709235RD</td>
<td>2007</td>
<td>88867806</td>
<td>Refunding - 1997 series bonds</td>
<td>Yes</td>
<td>No</td>
<td>Yes No Yes No Yes No</td>
</tr>
<tr>
<td>D  The Pennsylvania State University</td>
<td>24-6000376</td>
<td>709235Pj</td>
<td>2005</td>
<td>102675408</td>
<td>Construction</td>
<td>Yes</td>
<td>No</td>
<td>Yes No Yes No Yes No</td>
</tr>
</tbody>
</table>

#### Part II  Proceeds

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of bonds retired</td>
<td>3420000</td>
<td>1925000</td>
<td>13770000</td>
</tr>
<tr>
<td>Amount of bonds legally defeased</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total proceeds of issue</td>
<td>8415881</td>
<td>93494516</td>
<td>88867806</td>
</tr>
<tr>
<td>Gross proceeds in reserve funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalized interest from proceeds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds in refunding escrows</td>
<td>8363935</td>
<td>88342131</td>
<td></td>
</tr>
<tr>
<td>Issuance costs from proceeds</td>
<td>51946</td>
<td>584943</td>
<td>525675</td>
</tr>
<tr>
<td>Credit enhancement from proceeds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working capital expenditures from proceeds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures from proceeds</td>
<td>92909573</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other spent proceeds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year of substantial completion</td>
<td>2008</td>
<td>2009</td>
<td>2007</td>
</tr>
</tbody>
</table>

#### Part III  Private Business Use

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Are there any lease arrangements that may result in private business use of bond-financed property?</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

For Paperwork Reduction Act Notice, see the Instructions for Form 990.
### Part III Private Business Use (Continued)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>3a</td>
<td>Are there any management or service contracts that may result in private business use of bond-financed property?</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>b</td>
<td>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?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>c</td>
<td>Are there any research agreements that may result in private business use of bond-financed property?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>d</td>
<td>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?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>4</td>
<td>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</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>5</td>
<td>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</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>6</td>
<td>Total of lines 4 and 5</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>7</td>
<td>Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

### Part IV Arbitrage

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>2</td>
<td>Is the bond issue a variable rate issue?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>3a</td>
<td>Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>b</td>
<td>Name of provider</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Term of hedge</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>Was the hedge superintegrated?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td>Was the hedge terminated?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a</td>
<td>Were gross proceeds invested in a guaranteed investment contract (GIC)?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>b</td>
<td>Name of provider</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Term of GIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Were any gross proceeds invested beyond an available temporary period?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>6</td>
<td>Did the bond issue qualify for an exception to rebate?</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

### Part V Procedures To Undertake Corrective Action

Check the box if 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.

- ✔ Yes
- ✔ No

### Part VI Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions).
## 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.

<table>
<thead>
<tr>
<th>Part I</th>
<th>Bond Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>(b)</td>
</tr>
<tr>
<td>A</td>
<td>The Pennsylvania State University</td>
</tr>
<tr>
<td>B</td>
<td>The Pennsylvania State University</td>
</tr>
<tr>
<td>C</td>
<td>PA Higher Ed Facilities Authority</td>
</tr>
<tr>
<td>D</td>
<td>PA Higher Ed Facilities Authority</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part II</th>
<th>Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Amount of bonds retired</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Amount of bonds legally defeased</td>
</tr>
<tr>
<td>3</td>
<td>Total proceeds of issue</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Gross proceeds in reserve funds</td>
</tr>
<tr>
<td>5</td>
<td>Capitalized interest from proceeds</td>
</tr>
<tr>
<td>6</td>
<td>Proceeds in refunding escrows</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Issuance costs from proceeds</td>
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<td></td>
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<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Credit enhancement from proceeds</td>
</tr>
<tr>
<td>9</td>
<td>Working capital expenditures from proceeds</td>
</tr>
<tr>
<td>10</td>
<td>Capital expenditures from proceeds</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Other spent proceeds</td>
</tr>
<tr>
<td>12</td>
<td>Other unspent proceeds</td>
</tr>
<tr>
<td>13</td>
<td>Year of substantial completion</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part III</th>
<th>Private Business Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Are there any lease arrangements that may result in private business use of bond-financed property?</td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For Paperwork Reduction Act Notice, see the Instructions for Form 990.
### Part III Private Business Use

#### 3a
Are there any management or service contracts that may result in private business use of bond-financed property?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

**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?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 3c
Are there any research agreements that may result in private business use of bond-financed property?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

**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?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 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

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>✔</td>
<td>Yes</td>
<td>0%</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 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

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>✔</td>
<td>Yes</td>
<td>0%</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 6
Total of lines 4 and 5

<table>
<thead>
<tr>
<th></th>
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<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>✔</td>
<td>Yes</td>
<td>0%</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 7
Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
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<th>D</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

### Part IV Arbitrage

#### 1
Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 2
Is the bond issue a variable rate issue?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 3a
Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
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<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

**b** Name of provider

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**c** Term of hedge

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**d** Was the hedge superintegrated?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
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<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

**e** Was the hedge terminated?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 4a
Were gross proceeds invested in a guaranteed investment contract (GIC)?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
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</tr>
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**b** Name of provider

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**c** Term of GIC

<table>
<thead>
<tr>
<th></th>
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<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

**d** Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 5
Were any gross proceeds invested beyond an available temporary period?

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

#### 6
Did the bond issue qualify for an exception to rebate?

<table>
<thead>
<tr>
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<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

### Part V Procedures To Undertake Corrective Action

Check the box if 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

<table>
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<tr>
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<th>D</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>✔</td>
<td>Yes</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

### Part VI Supplemental Information.

Complete this part to provide additional information for responses to questions on Schedule K (see instructions).
**SCHEDULE L**
(Form 990 or 990-EZ)

**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.*

<table>
<thead>
<tr>
<th>Part I</th>
<th>Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(a) Name of disqualified person</td>
<td>(b) Description of transaction</td>
<td>(c) Corrected?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Yes No</td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)</td>
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<td>(3)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2 Enter the amount of tax imposed on 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 $  

<table>
<thead>
<tr>
<th>Part II</th>
<th>Loans to and/or From Interested Persons.</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Name of interested person and purpose</td>
<td>(b) Loan to or from the organization?</td>
<td>(c) Original principal amount</td>
</tr>
<tr>
<td></td>
<td>To</td>
<td>From</td>
<td>Yes No</td>
</tr>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>(2)</td>
<td></td>
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<tr>
<td>(10)</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Total $  

<table>
<thead>
<tr>
<th>Part III</th>
<th>Grants or Assistance Benefiting Interested Persons.</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Name of interested person</td>
<td>(b) Relationship between interested person and the organization</td>
<td>(c) Amount and type of assistance</td>
</tr>
<tr>
<td>(1)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(2)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(3)</td>
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<td></td>
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</tr>
</tbody>
</table>

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
**Part IV**

**Business Transactions Involving Interested Persons.**
Complete if the organization answered “Yes” on Form 990, Part IV, line 28a, 28b, or 28c.

<table>
<thead>
<tr>
<th>(a) Name of interested person</th>
<th>(b) Relationship between interested person and the organization</th>
<th>(c) Amount of transaction</th>
<th>(d) Description of transaction</th>
<th>(e) Sharing of organization’s revenues?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Michele Kirsch</td>
<td>see below</td>
<td>89116</td>
<td>Employment</td>
<td>[✔]</td>
</tr>
<tr>
<td>(2) Sandra Spanier</td>
<td>see below</td>
<td>131132</td>
<td>Employment</td>
<td>[✔]</td>
</tr>
<tr>
<td>(3) Jeffrey Erickson</td>
<td>see below</td>
<td>135261</td>
<td>Employment</td>
<td>[✔]</td>
</tr>
<tr>
<td>(4) BNY Mellon</td>
<td>see below</td>
<td>2010896</td>
<td>Banking fees</td>
<td>[✔]</td>
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<tr>
<td>(5) PSRP Developers, Inc.</td>
<td>see below</td>
<td>324857</td>
<td>Rental receipts &amp; expenses</td>
<td>[✔]</td>
</tr>
<tr>
<td>(6) PSRP Developers, LLC</td>
<td>see below</td>
<td>310629</td>
<td>Rental receipts &amp; expenses</td>
<td>[✔]</td>
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<tr>
<td>(7) LLR III</td>
<td>see below</td>
<td>400000</td>
<td>Management fees</td>
<td>[✔]</td>
</tr>
<tr>
<td>(8) Lubert Adler V &amp; VI</td>
<td>see below</td>
<td>162971</td>
<td>Management fees</td>
<td>[✔]</td>
</tr>
</tbody>
</table>

**Part V**

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

**Part IV(1)** - Spouse of Rod Kirsch, Senior VP - Development. Dr. Michele Kirsch is the Director of Administrative Operations for the Schreyer Honors College.

**Part IV(2)** - Spouse of Graham Spanier, former University President & Trustee. Dr. Sandra Spanier is a Professor of English. Compensation listed above includes a $29,040 National Endowment for the Humanities (NEH) grant awarded to Dr. Spanier in connection her position as General Editor of the Hemingway Letters Project.

**Part IV(3)** - Son of Rodney Erickson, University President. Professor Jeffrey Erickson is Director of Penn State Law’s International Sustainable Projects Law Clinic and a supervising attorney in the Rural Economic Development Clinic.

**Part IV(4)** - Entity of which Trustee Karen Peetz is an officer. BNY Mellon performed a wide variety of banking, investment, cash management, and underwriting services for the University during the year. The University’s financial service arrangement with BNY Mellon existed prior to Ms. Peetz becoming a University Trustee.

**Part IV(5)** - Entity of which Trustee Ira Lubert is an officer. PSRP Developers, Inc. collected $403,051 of real property rental payments and paid the University rental payments $78,194 relating to Research Park lease arrangements. The University’s relationship with PSRP Developers, Inc. existed prior to Mr. Lubert becoming a University Trustee.
**Part IV**  
**Business Transactions Involving Interested Persons.**  
Complete if the organization answered “Yes” on Form 990, Part IV, line 28a, 28b, or 28c.

<table>
<thead>
<tr>
<th>(a) Name of interested person</th>
<th>(b) Relationship between interested person and the organization</th>
<th>(c) Amount of transaction</th>
<th>(d) Description of transaction</th>
<th>(e) Sharing of organization’s revenues?</th>
</tr>
</thead>
<tbody>
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<td>(10)</td>
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<td>Yes</td>
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</tbody>
</table>

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

**Part IV(6)**  
Partnership is 33 1/3% owned by Trustee Ira Lubert. PSRP Developers, LLC collected $378,794 of real property rental payments during the year and paid the University rental payments of $68,165 relating to Research Park lease arrangements.  
The University’s relationship with PSRP Developers, LLC existed prior to Mr. Lubert becoming a University Trustee.

**Part IV(7) & (8)**  
Partnerships are more than 5% owned by Trustee Ira Lubert. The University paid fund management fees during the year.  
Fund investment was approved by the University Board of Trustees.

All transactions between the University and “interested persons” described in the question are conducted at arm’s length for good and sufficient consideration, and the University believes that the terms and conditions of such transactions have been fair and reasonable.
## Part I  Types of Property

<table>
<thead>
<tr>
<th></th>
<th>Check if applicable</th>
<th>Number of contributions or items contributed</th>
<th>Noncash contribution amounts reported on Form 990, Part VIII, line 1g</th>
<th>Method of determining noncash contribution amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Art—Works of art</td>
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<tr>
<td>2</td>
<td>Art—Historical treasures</td>
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<td>3</td>
<td>Art—Fractional interests</td>
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<tr>
<td>4</td>
<td>Books and publications</td>
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<tr>
<td>5</td>
<td>Clothing and household goods</td>
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<td>6</td>
<td>Cars and other vehicles</td>
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<td>Boats and planes</td>
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<tr>
<td>8</td>
<td>Intellectual property</td>
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<tr>
<td>9</td>
<td>Securities—Publicly traded</td>
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<td>10</td>
<td>Securities—Closely held stock</td>
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<tr>
<td>11</td>
<td>Securities—Partnership, LLC, or trust interests</td>
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<tr>
<td>12</td>
<td>Securities—Miscellaneous</td>
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<tr>
<td>13</td>
<td>Qualified conservation contribution—Historic structures</td>
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<td>7215740 fair market value</td>
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<td>14</td>
<td>Qualified conservation contribution—Other</td>
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<td>15</td>
<td>Real estate—Residential</td>
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<tr>
<td>16</td>
<td>Real estate—Commercial</td>
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<tr>
<td>17</td>
<td>Real estate—Other</td>
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<tr>
<td>18</td>
<td>Collectibles</td>
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<tr>
<td>19</td>
<td>Food inventory</td>
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<td>20</td>
<td>Drugs and medical supplies</td>
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<td>21</td>
<td>Taxidermy</td>
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<tr>
<td>22</td>
<td>Historical artifacts</td>
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<td>23</td>
<td>Scientific specimens</td>
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<td>24</td>
<td>Archeological artifacts</td>
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<tr>
<td>25</td>
<td>Other ➤ (not securities)</td>
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<td>31743376 fair market value</td>
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<tr>
<td>26</td>
<td>Other ➤</td>
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<td>27</td>
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<tr>
<td>28</td>
<td>Other ➤</td>
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</tbody>
</table>

### Notes
- **Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 823, Part IV, Donee Acknowledgement**: 29

### Additional Information
- **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? **Yes**
- **30b** 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? **Yes**
- **32a** Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? **Yes**
- **32b** 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, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

The University only tracks non-cash contributions as other securities or other gifts in-kind.
Part IV, Line 1 - Described in section 501(c)(3)

The University is exempt from federal income tax as a governmental entity under IRC section 115. It is an instrumentality of the Commonwealth of Pennsylvania.

Part VI, Line 7(a) - Election of Governing Body

Penn State’s 32-member Board of Trustees is composed of the following: Five trustees serve in an ex officio capacity by virtue of their position within the University or the Commonwealth of Pennsylvania. They are the President of the University; the Governor of the Commonwealth; and the state secretaries of the departments of Agriculture; Education; and Conservation and Natural Resources. Six trustees are appointed by the Governor; nine trustees are elected by the alumni; six are elected by organized agricultural societies within the Commonwealth; and six are elected by the Board of Trustees representing business and industry.

Part VI, Line 11A - Form 990 Review

A draft of the organization’s form 990 was provided to Board members and reviewed at a board meeting. Board members were able to ask questions and comment.

Part VI, Line 12(c) - Monitoring of conflicts of interest

Consistent with University bylaws, officers, trustees and key employees complete "Conflict of Interest Disclosure Verification" on an annual basis. This form provides for disclosure of family members and/or related businesses having dealings with the University.

Part VI, Line 15(a & b) - Determination of Officer Compensation

The compensation of University officers is determined by a compensation committee comprised of Board members who consider performance, salaries of executives in similar positions as well as the advice of outside advisors and data found in compensation surveys.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
Part VI, Line 19 - Document availability to the public

The University makes its governing documents, conflict of interest policy, and financial statements available to the public upon request. In addition, financial statements are available on the University's website.

Part XI, Line 5 - Other changes in net assets

Unrealized losses on investments -- $10,280,000

Schedule E, Line 6(a) - Government aid

The Commonwealth of Pennsylvania appropriation for the 2011-12 fiscal year was $278,967,000
## 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.**

### Part I  Identification of Disregarded Entities

(Complete if the organization answered “Yes” to Form 990, Part IV, line 33.)

<table>
<thead>
<tr>
<th>(a) Name, address, and EIN of disregarded entity</th>
<th>(b) Primary activity</th>
<th>(c) Legal domicile (state or foreign country)</th>
<th>(d) Total income</th>
<th>(e) End-of-year assets</th>
<th>(f) Direct controlling entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
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</tr>
</tbody>
</table>

### 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.)

<table>
<thead>
<tr>
<th>(a) Name, address, and EIN of related organization</th>
<th>(b) Primary activity</th>
<th>(c) Legal domicile (state or foreign country)</th>
<th>(d) Exempt Code section</th>
<th>(e) Public charity status (if section 501(c)(3))</th>
<th>(f) Direct controlling entity</th>
<th>(g) Section 512(b)(13) controlled entity?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The Milton S. Hershey Medical Center 25-1854772 Hershey, PA 17033</td>
<td>Healthcare</td>
<td>PA</td>
<td>501(c)(3)</td>
<td>509(a)(1)</td>
<td>Penn State Univ</td>
<td>Yes</td>
</tr>
<tr>
<td>(2) The Corporation for Penn State 25-1500292 University Park, PA 16802</td>
<td>Holding company</td>
<td>PA</td>
<td>501(c)(3)</td>
<td>509(a)(3)</td>
<td>Penn State Univ</td>
<td>Yes</td>
</tr>
<tr>
<td>(3) Penn State Research Foundation 23-1359185 University Park, PA 16802</td>
<td>Research</td>
<td>PA</td>
<td>501(c)(3)</td>
<td>509(a)(3)</td>
<td>Corp for Penn S</td>
<td>Yes</td>
</tr>
<tr>
<td>(4) Pennsylvania College of Technology 23-2564508 Williamsburg, PA 17701</td>
<td>Education</td>
<td>PA</td>
<td>501(c)(3)</td>
<td>509(a)(1)</td>
<td>Corp for Penn S</td>
<td>Yes</td>
</tr>
<tr>
<td>(5) Ben Franklin Tech. Ctr of Central and Northern PA 25-1618093 University Park, PA 16802</td>
<td>Technology</td>
<td>PA</td>
<td>501(c)(3)</td>
<td>509(a)(1)</td>
<td>Corp for Penn S</td>
<td>Yes</td>
</tr>
<tr>
<td>(6) Nittany Title Corporation 25-1518479 University Park, PA 16802</td>
<td>Holding Property</td>
<td>PA</td>
<td>501(c)(2)</td>
<td></td>
<td>Corp for Penn S</td>
<td>Yes</td>
</tr>
<tr>
<td>(7) Recycling Markets Center 20-2191485 Middletown, PA 17057</td>
<td>Promote Recycling</td>
<td>PA</td>
<td>501(c)(3)</td>
<td>509(a)(1)</td>
<td>Corp for Penn S</td>
<td>Yes</td>
</tr>
</tbody>
</table>

For Paperwork Reduction Act Notice, see the Instructions for Form 990.
### Part I  Identification of Disregarded Entities

(Complete if the organization answered “Yes” to Form 990, Part IV, line 33.)

<table>
<thead>
<tr>
<th></th>
<th>Name, address, and EIN of disregarded entity</th>
<th>Primary activity</th>
<th>Legal domicile (state or foreign country)</th>
<th>Total income</th>
<th>End-of-year assets</th>
<th>Direct controlling entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
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</tbody>
</table>

### 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.)

<table>
<thead>
<tr>
<th></th>
<th>Name, address, and EIN of related organization</th>
<th>Primary activity</th>
<th>Legal domicile (state or foreign country)</th>
<th>Exempt Code section</th>
<th>Public charity status (if section 501(c)(3))</th>
<th>Direct controlling entity</th>
<th>Section 512(b)(13) controlled entity?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Pennsylvania College of Technology Community Arts Center, Inc, Williamsport, PA 17701 23-2617447</td>
<td>Art Center</td>
<td>PA</td>
<td>501(c)(3)</td>
<td>509(a)(1)</td>
<td>Penn Tech.</td>
<td>✔</td>
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<td>(2)</td>
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</tbody>
</table>
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.)

<table>
<thead>
<tr>
<th>(a) Name, address, and EIN of related organization</th>
<th>(b) Primary activity</th>
<th>(c) Legal domicile (state or foreign country)</th>
<th>(d) Direct controlling entity</th>
<th>(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)</th>
<th>(f) Share of total income</th>
<th>(g) Share of end-of-year assets</th>
<th>(h) Disproportionate allocations?</th>
<th>(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)</th>
<th>(j) General or managing partner?</th>
<th>(k) Percentage ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) HOSC                     Hershey, PA 17033</td>
<td>Medical</td>
<td>PA</td>
<td>PSHHS</td>
<td>Related</td>
<td>-56764</td>
<td>1116167</td>
<td>✔</td>
<td>N/A</td>
<td>✔</td>
<td>72</td>
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</table>

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.)

<table>
<thead>
<tr>
<th>(a) Name, address, and EIN of related organization</th>
<th>(b) Primary activity</th>
<th>(c) Legal domicile (state or foreign country)</th>
<th>(d) Direct controlling entity</th>
<th>(e) Type of entity (C corp, S corp, or trust)</th>
<th>(f) Share of total income</th>
<th>(g) Share of end-of-year assets</th>
<th>(h) Percentage ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Research Park Mgmt. Corp 25-1625696</td>
<td>Real Estate</td>
<td>PA</td>
<td>Corp for P.S.</td>
<td>C corp</td>
<td>421296</td>
<td>1280941</td>
<td>100%</td>
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<tr>
<td>University Park, PA 16802</td>
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<tr>
<td>(2) Research Park Hotel Corp. 25-1673018</td>
<td>Hotel</td>
<td>PA</td>
<td>Res Park Mgmt.</td>
<td>C corp</td>
<td>1815529</td>
<td>25414998</td>
<td>100%</td>
</tr>
<tr>
<td>University Park, PA 16802</td>
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<tr>
<td>(3) Penn State Hershey Health Systems 25-1769611</td>
<td>Healthcare</td>
<td>PA</td>
<td>Corp for P.S.</td>
<td>C corp</td>
<td>265740</td>
<td>11404769</td>
<td>100%</td>
</tr>
<tr>
<td>Hershey, PA 17033</td>
<td></td>
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<tr>
<td>(4) Nittany Insurance Company 25-1718998</td>
<td>Insurance</td>
<td>PA</td>
<td>Corp for P.S.</td>
<td>C corp</td>
<td>183948</td>
<td>28486833</td>
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<tr>
<td>Burlington, VT 05606-4119</td>
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<tr>
<td>(5) PS Research Park Tech. Center 25-1723275</td>
<td>Condo Mgmt.</td>
<td>PA</td>
<td>Corp for P.S.</td>
<td>C corp</td>
<td>0</td>
<td>0</td>
<td>100%</td>
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<tr>
<td>University Park, PA 16802</td>
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</tbody>
</table>
**Part V  Transactions With Related Organizations** (Complete if the organization answered “Yes” to Form 990, Part IV, line 34, 35, 35a, or 36.)

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

<table>
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</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>(a) Name of other organization</th>
<th>(b) Transaction type (a–r)</th>
<th>(c) Amount involved</th>
<th>(d) Method of determining amount involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Milton S. Hershey Medical Center</td>
<td>d</td>
<td>75186000</td>
<td>FMV</td>
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<tr>
<td>The Milton S. Hershey Medical Center</td>
<td>f, g, k, m, n, r</td>
<td>89037911</td>
<td>FMV</td>
</tr>
<tr>
<td>Ben Franklin Tech Ctr of Central and Northern PA</td>
<td>f, g, k, m, n, r</td>
<td>4528670</td>
<td>FMV</td>
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<tr>
<td>Penn State Hershey Health System</td>
<td>d</td>
<td>3122459</td>
<td>FMV</td>
</tr>
<tr>
<td>Nittany Insurance Company</td>
<td>c, q</td>
<td>863793</td>
<td>FMV</td>
</tr>
<tr>
<td>The Corporation for Penn State</td>
<td>r, l</td>
<td>227950</td>
<td>FMV</td>
</tr>
</tbody>
</table>
Part V  Transactions With Related Organizations (Complete if the organization answered “Yes” to Form 990, Part IV, line 34, 35, 35a, or 36.)

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

<table>
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</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>(a) Name of other organization</th>
<th>(b) Transaction type (a–r)</th>
<th>(c) Amount involved</th>
<th>(d) Method of determining amount involved</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Research Park Hotel Corporation</td>
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<td>2</td>
<td>Research Park Mgmt. Corporation</td>
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<td>Research Park Hotel Corporation</td>
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</table>
## 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.

<table>
<thead>
<tr>
<th>(a) Name, address, and EIN of entity</th>
<th>(b) Primary activity</th>
<th>(c) Legal domicile (state or foreign country)</th>
<th>(d) Predominant income (related, unrelated, excluded from tax under section 512-514)</th>
<th>(e) Are all partners section 501(c)(3) organizations?</th>
<th>(f) Share of total income</th>
<th>(g) Share of end-of-year assets</th>
<th>(h) Disproportionate allocations?</th>
<th>(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)</th>
<th>(j) General or managing partner?</th>
<th>(k) Percentage ownership</th>
</tr>
</thead>
<tbody>
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</table>
Part VII  Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule R (see instructions).
Section 2:
The salaries of all officers and directors of the State-related institution.

*No member of the Board of Trustees received a salary for services rendered as a Trustee.

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rodney Erickson</td>
<td>President of the University 459,121</td>
</tr>
<tr>
<td>Graham Spanier</td>
<td>President of the University 700,000</td>
</tr>
<tr>
<td>Robert Pangborn</td>
<td>Interim Executive VP &amp; Provost 272,529</td>
</tr>
<tr>
<td>Albert Horvath</td>
<td>Former Sr. VP - Finance &amp; Business 285,343</td>
</tr>
<tr>
<td>Rod Kirsch</td>
<td>Sr. VP - Development 375,000</td>
</tr>
<tr>
<td>Harold Paz</td>
<td>CEO - Hershey Medical Center 756,000</td>
</tr>
</tbody>
</table>
Section 3:
The highest 25 salaries paid to employees of the institution that are not included under Section 2.

<table>
<thead>
<tr>
<th>Employee</th>
<th>Salary</th>
</tr>
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<tbody>
<tr>
<td>Robert Harbaugh, M.D.</td>
<td>Chair Department of Neurosurgery 763,738</td>
</tr>
<tr>
<td>John Myers, M.D.</td>
<td>Staff Physician - Pediatric Surgery 745,079</td>
</tr>
<tr>
<td>Jonas Sheehan, M.D.</td>
<td>Staff Physician - Neurosurgery 637,025</td>
</tr>
<tr>
<td>Alan Brechbill</td>
<td>Executive Director - MSHMC 631,507</td>
</tr>
<tr>
<td>William Hennrikus, M.D.</td>
<td>Staff Physician - Orthopaedics 629,599</td>
</tr>
<tr>
<td>Douglas Armstrong, M.D.</td>
<td>Staff Physician - Orthopaedics 619,599</td>
</tr>
<tr>
<td>Peter Dillon, M.D.</td>
<td>Chair Department of Surgery 619,489</td>
</tr>
<tr>
<td>Kevin Black, M.D.</td>
<td>Chair Orthopaedics/Rehabilitation 608,065</td>
</tr>
<tr>
<td>Joseph Paterno</td>
<td>Head Football Coach 596,394</td>
</tr>
<tr>
<td>John Reid, M.D.</td>
<td>Staff Physician - Orthopaedics 553,099</td>
</tr>
<tr>
<td>Carol Copeland, M.D.</td>
<td>Staff Physician - Orthopaedics 540,030</td>
</tr>
<tr>
<td>Carlo de Luna, M.D.</td>
<td>Staff Physician - Neurosurgery 526,260</td>
</tr>
<tr>
<td>James McInerney, M.D.</td>
<td>Staff Physician - Neurosurgery 525,012</td>
</tr>
<tr>
<td>Kevin Cockroft, M.D.</td>
<td>Staff Physician - Neurosurgery 524,019</td>
</tr>
<tr>
<td>Kathleen Eggli, M.D.</td>
<td>Staff Physician - Orthopaedics 519,353</td>
</tr>
<tr>
<td>Lawrence Sinoway, M.D.</td>
<td>Staff Physician - Colorectal Surgery 512,568</td>
</tr>
<tr>
<td>Walter Koltun, M.D.</td>
<td>Chair Department of Anesthesiology 500,696</td>
</tr>
<tr>
<td>Berend Mets, M.B.</td>
<td>Staff Physician - Neurosurgery 493,402</td>
</tr>
<tr>
<td>Timothy Reiter</td>
<td>Director Penn State Heart &amp; Vascular Institute 492,943</td>
</tr>
<tr>
<td>Thomas Terndrup, M.D.</td>
<td>Chair Emergency Medicine 491,326</td>
</tr>
<tr>
<td>Mario Gonzalez, M.D.</td>
<td>Chair Department of Ophthalmology 488,444</td>
</tr>
<tr>
<td>Thomas Loughran, M.D.</td>
<td>Staff Physician - Hematology Oncology 485,488</td>
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<tr>
<td>David Quillen, M.D.</td>
<td>Staff Physician - Neurosurgery 476,276</td>
</tr>
<tr>
<td>Chandra Belani, M.D.</td>
<td>Staff Physician - Neurosurgery 476,276</td>
</tr>
</tbody>
</table>