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Form 990 Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047
		2010
		Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010				
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization DISTRICT MEDICAL GROUP INC		D Employer identification number 20-8106540	
	Doing Business As		E Telephone number (602) 470-5000	
	Number and street (or P O box if mail is not delivered to street address) 2929 EAST THOMAS ROAD			
	Room/suite		G Gross receipts \$ 117,693,570	
	City or town, state or country, and ZIP + 4 PHOENIX, AZ 85016			
	F Name and address of principal officer KOTE CHUNDU MD 2929 E THOMAS RD PHOENIX, AZ 85016		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ www.dmgaz.org				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation 2006	M State of legal domicile AZ

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities Operate a faculty practice plan for the benefit of the Maricopa County Special Healthcare District, which was created to provide medical education programs, emergency and other services to the medically underserved		
	2 Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	9
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	5
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	562
6 Total number of volunteers (estimate if necessary)	6	0	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,376,819	217,234
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		117,454,124
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		-16,685
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		9,541
		2,376,819	117,664,214
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		50,645
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		77,753,096
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="text" value="0"/>		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	240	36,820,729
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	240	114,624,470
	19 Revenue less expenses Subtract line 18 from line 12	2,376,579	3,039,744
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	4,814,482	11,547,925
	21 Total liabilities (Part X, line 26)	2,437,903	6,131,602
	22 Net assets or fund balances Subtract line 21 from line 20	2,376,579	5,416,323

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

Sign Here	***** Signature of officer	2011-11-09 Date			
	CRAIG JONES CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no ▶

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

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

We are dedicated to improving the health and well-being of

If "Yes," describe these new services on Schedule O

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services 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 \$	102,848,874	including grants of \$	50,645) (Revenue \$	117,434,309)
	SEE SCHEDULE O					

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








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

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

4e	Total program service expenses	\$ 102,848,874
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Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A. 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	No
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV 	14b Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a 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? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	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	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance					
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>					
			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	344		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	562		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a			No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7 Organizations that may receive deductible contributions under section 170(c).					
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?					
8					
9 Sponsoring organizations maintaining donor advised funds.					
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10 Section 501(c)(7) organizations. Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11 Section 501(c)(12) organizations. Enter					
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?					
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b			
c	Enter the amount of reserves on hand.	13c			
14a Did the organization receive any payments for indoor tanning services during the tax year?					
14a					
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b			No

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	9	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	5	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed AZ
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization KOTE CHUNDU MD 2929 E THOMAS ROAD PHOENIX, AZ 85016 (602) 470-5000

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) PHYLLIS BEIDESS Community Board Member, Vice Chair	46	X		X				3,200	0	0
(2) FULTON BROCK Community Board Member	46	X						3,200	0	0
(3) JAMES MAROVICH Community Board Member	46	X						3,200	0	0
(4) TED WILLIAMS Community Board Member	46	X						3,200	0	0
(5) ALAN RAWLS Community Board Member	46	X						3,200	0	0
(6) DR DAN HOBOHM Bd Chair, Path Chair, VP of Quality	65 00	X		X				423,543	0	22,930
(7) DR KOTE CHUNDU Bd Member, Pediatrics Chair, Pres/CEO	65 00	X		X				659,890	0	65,603
(8) DR DEAN COONROD Board Member, Secretary, OBGYN Chair	60 00	X		X				334,109	0	68,058
(9) DR DAVID WISINGER Bd Member, CMO, Int Medicine Chair	65 00	X		X				328,343	0	67,568
(10) PEG LOOS COO, Chief Compliance Officer	50 00			X				178,736	0	27,815
(11) CRAIG JONES CFO, Treasurer	50 00			X				171,700	0	39,254
(12) PAUL WESTOVER V P , Chief Administrative Officer	50 00			X				266,459	0	40,822
(13) DR DANIEL CARUSO Surgery Chair	60 00				X			532,338	0	51,159
(14) DR WILLIAM JOHNSON Chair of Anes , Perioperative Dir	60 00				X			455,429	0	53,000
(15) DR CAROL OLSON Chair of Psych, Pres of Med Staff	65 00				X			338,376	0	37,300
(16) DR IMAN FEIZ-ERFAN Director of Neurosurgery	70 00					X		890,478	0	39,812

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) DR BRYAN PIMLOTT Orthopedic Surgeon	50 00					X		566,721	0	24,500
(18) DR JORGE GONZALEZ-CRUZ Neurosurgeon	50					X		546,557		28,818
(19) DR PAUL ZIDEL Chief of Hand Surgery	50					X		508,296		40,909
(20) DR PATRICK BAILEY Chief of Pediatric Surgery	50					X		504,335		38,909
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								6,721,310		646,457

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶228

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization		
(A) Name and business address	(B) Description of services	(C) Compensation
MAYO CLINIC PO BOX 4006 ROCHESTER, MN 559034006	Physician Services	909,567
ST JOSEPH'S HOSPITAL & MEDICAL SENTER FILE 57431 LOS ANGELES, CA 900748781	Physician Services	603,866
SONORAN ORTHO TRAUMA SURGEONS PLLC PO BOX 749569 LOS ANGELES, CA 900749569	Physician Services	543,477
ROSS MCARTHUR 8607 N CABALLO CIRCLE PARADISE VALLEY, AZ 85253	Physician Services	461,342
INTERVENTIONAL RADIOLOGY LTD 525 N 18TH STREET SUITE 308 PHOENIX, AZ 85006	Physician Services	416,625
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶27		

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	217,234			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		217,234			
	Program Service Revenue			Business Code			
2a		Patient Services	621110	117,454,124			
b							
c							
d							
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f		117,454,124			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		12,671			12,671
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties					
	6a			(i) Real			
				(ii) Personal			
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
	7a			(i) Securities			
				(ii) Other			
	b	Less cost or other basis and sales expenses		29,356			
	c	Gain or (loss)		-29,356			
	d	Net gain or (loss)		-29,356	-29,356		
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a			
	b	Less direct expenses		b			
	c	Net income or (loss) from fundraising events . .					
9a	Gross income from gaming activities See Part IV, line 19 . .		a				
b	Less direct expenses		b				
c	Net income or (loss) from gaming activities . .						
10a	Gross sales of inventory, less returns and allowances . .		a				
b	Less cost of goods sold		b				
c	Net income or (loss) from sales of inventory . .						
Miscellaneous Revenue			Business Code				
11a	Other Income		900099	9,541	9,541		
d	All other revenue						
e	Total. Add lines 11a-11d			9,541			
12	Total revenue. See Instructions			117,664,214	117,434,309		12,671

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).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	50,645	50,645		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	4,199,169	3,249,002	950,167	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	60,735,004	54,934,511	5,800,493	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,503,864	5,039,964	463,900	0
9	Other employee benefits	3,975,809	3,023,011	952,798	0
10	Payroll taxes	3,339,250	2,869,993	469,257	0
a	Fees for services (non-employees)				
	Management	238,646	0	238,646	0
b	Legal	139,683	26,872	112,811	0
c	Accounting	15,715	0	15,715	0
d	Lobbying	0	0	0	0
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	12,505,914	12,226,052	279,862	0
12	Advertising and promotion	400	0	400	0
13	Office expenses	919,140	414,002	505,138	0
14	Information technology	817,219	70,013	747,206	0
15	Royalties				
16	Occupancy	1,106,120	484,697	621,423	0
17	Travel	51,295	31,996	19,299	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	23,583	1,558	22,025	0
20	Interest	28,189	1,435	26,754	0
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	670,180	159,768	510,412	0
23	Insurance	2,770,637	2,867,158	-96,521	0
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Bad Debt	15,146,626	15,146,626	0	0
b	Resident Program Expenses	906,213	906,213	0	0
c	Provider Education	788,620	788,620	0	0
d	Dues & Fees	362,991	325,730	37,261	0
e	Meals	168,762	141,322	27,440	0
f	All other expenses	160,796	89,686	71,110	0
25	Total functional expenses. Add lines 1 through 24f	114,624,470	102,848,874	11,775,596	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			278,300	1	3,303,044
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net				4	5,251,243
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	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). Schedule L				6	
	7	Notes and loans receivable, net			356,637	7	402,564
	8	Inventories for sale or use			5,585	8	5,954
	9	Prepaid expenses and deferred charges			2,113,422	9	739,189
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	1,576,879	1,479,615	10c	917,067
	b	Less: accumulated depreciation	10b	659,812			
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11			475,000	12	475,000
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			105,923	15	453,864
16	Total assets. Add lines 1 through 15 (must equal line 34)			4,814,482	16	11,547,925	
Liabilities	17	Accounts payable and accrued expenses			313,920	17	2,724,740
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			746,483	23	125,328
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			1,377,500	25	3,281,534
	26	Total liabilities. Add lines 17 through 25			2,437,903	26	6,131,602
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			2,376,579	27	5,346,323
	28	Temporarily restricted net assets				28	70,000
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			2,376,579	33	5,416,323
	34	Total liabilities and net assets/fund balances			4,814,482	34	11,547,925

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	117,664,214
2	Total expenses (must equal Part IX, column (A), line 25)	2	114,624,470
3	Revenue less expenses Subtract line 2 from line 1	3	3,039,744
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,376,579
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	5,416,323

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization DISTRICT MEDICAL GROUP INC	Employer identification number 20-8106540
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Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☒

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - 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 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?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						0

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	0 %
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2009. If the organization did not check the 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—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2009. 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 IIISupport Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")				2,376,819	217,234	2,594,053
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					117,454,124	117,454,124
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5				2,376,819	117,671,358	120,048,177
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						120,048,177

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6				2,376,819	117,671,358	120,048,177
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources					12,671	12,671
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b					12,671	12,671
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)					9,541	9,541
13 Total support (Add lines 9, 10c, 11 and 12.)						120,070,389
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 ▶ <input checked="" type="checkbox"/>						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	0 %
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	0 %
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. 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 ▶ <input type="checkbox"/>		
b 33 1/3% support tests—2009. 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 ▶ <input type="checkbox"/>		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶ <input type="checkbox"/>		

Part IV

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

Facts And Circumstances Test
OTHER INCOME PART III, LINE 12; DESCRIPTION: MISC. NON-OPERATING INCOME; 2010: 9541.;
OTHER INCOME PART III, LINE 12; DESCRIPTION: MISC. NON-OPERATING INCOME; 2010: 9541.;

SCHEDULE D
(Form 990)

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization DISTRICT MEDICAL GROUP INC	Employer identification number 20-8106540
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Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1	Purpose(s) of conservation easements held by the organization (check all that apply) <input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure) <input type="checkbox"/> Preservation of an historically importantly land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space
2	Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____
4	Number of states where property subject to conservation easement is located ▶ _____
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <input type="checkbox"/> Yes <input type="checkbox"/> No
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? <input type="checkbox"/> Yes <input type="checkbox"/> No
9	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

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

1a	If the organization elected, as permitted under SFAS 116, 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
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
(i)	Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
(ii)	Assets included in Form 990, Part X ▶ \$ _____
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items
a	Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
b	Assets included in Form 990, Part X ▶ \$ _____

Part III

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

3

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

a

☐

Public exhibition

b

☐

Scholarly research

c

☐

Preservation for future generations

d

☐

Loan or exchange programs

e

☐

Other

4

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

(ii)

related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
3b		

4

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

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land			
b	Buildings			
c	Leasehold improvements	40,893	12,639	28,254
d	Equipment	1,065,076	395,988	669,088
e	Other	470,910	251,185	219,725
Total.	Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)			917,067

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
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 - 8	9
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10

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
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e	
3	Subtract line 2e from line 13	
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 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e	
3	Subtract line 2e from line 13	
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 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)5	

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, 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		
Identifier	Return Reference	Explanation
Pt X		From footnote 1 of the financial statements

1

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

3 Enter total number of other organizations or entities ▶ _____

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

[illegible]

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 (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 and/or Form 3520-A. (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, 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 (see instructions) required in Part I, line 2, and any additional information.

Schedule F (Form 990) 2010

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
DISTRICT MEDICAL GROUP INC

Employer identification number
20-8106540

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.

☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) MARICOPA HEALTH FOUNDATION2601 E ROOSEVELT ST PHOENIX, AZ 85008	86-0777567	501(c)(3)	20,100				Gen Support
(2) FOUNDATION FOR BURNS & TRAUMA333 E VIRGINIA AVE PHOENIX, AZ 85004	86-0207519	501(C)(3)	17,750				Gen Support

2

Enter total number of section 501(c)(3) and government organizations

2

3

Enter total number of other organizations

0

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

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

Identifier	Return Reference	Explanation
Part I, Line 2		DMG gives priority to 501(c)(3) organizations in determining funding recipients
		Preference is also given to organizations involved in activities closely related to DMG's mission and core values

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization DISTRICT MEDICAL GROUP INC	Employer identification number 20-8106540
--	--

Part I

Questions Regarding Compensation

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

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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DR DAN HOBOHM	(i) (ii)	341,306	10,000	72,237	14,700	10,415	448,658	
(2) DR KOTE CHUNDU	(i) (ii)	404,706	10,000	245,184	49,000	18,825	727,715	
(3) DR DEAN COONROD	(i) (ii)	331,511		2,598	49,000	21,280	404,389	
(4) DR DAVID WISINGER	(i) (ii)	288,846	7,500	31,997	49,000	20,698	398,041	
(5) PEG LOOS	(i) (ii)	177,974		762	21,586	7,904	208,226	
(6) CRAIG JONES	(i) (ii)	171,131		569	21,487	19,452	212,639	
(7) PAUL WESTOVER	(i) (ii)	250,210	12,800	3,449	27,454	15,397	309,310	
(8) DR DANIEL CARUSO	(i) (ii)	513,554	7,500	11,284	34,300	19,081	585,719	
(9) DR WILLIAM JOHNSON	(i) (ii)	351,000	10,000	94,429	49,000	6,222	510,651	
(10) DR CAROL OLSON	(i) (ii)	300,000	2,500	35,876	34,300	5,145	377,821	
(11) DR IMAN FEIZ-ERFAN	(i) (ii)	738,287		152,191	22,050	19,984	932,512	
(12) DR BRYAN PIMLOTT	(i) (ii)	366,667	185,689	14,365	24,500	2,222	593,443	
(13) DR JORGE GONZALEZ-CRUZ	(i) (ii)	543,846		2,711	12,250	18,790	577,597	
(14) DR PAUL ZIDEL	(i) (ii)	491,554		16,742	22,050	21,081	551,427	
(15) DR PATRICK BAILEY	(i) (ii)	468,555		35,780	22,050	19,081	545,466	
(16)								

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
Part II		DMG maintains a Compensation Plan approved by the Board of Directors, and overseen by the Compensation
		COMMITTEE. THE COMPENSATION COMMITTEE IS COMPRISED MOSTLY OF COMMUNITY DIRECTORS (NON-EMPLOYEE DIRECTORS), AND IN MATTERS OF APPROVING COMPENSATION FOR THE OFFICERS AND DEPARTMENT CHAIRS, ONLY THE COMMUNITY DIRECTORS ARE AUTHORIZED TO VOTE.
Part II		There is a written policy governing the Personnel Action Committee, which oversees the day-to-day
		administration of the Compensation Plan. There is also a written policy for Providers who earn compensation in excess of base salary.

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization DISTRICT MEDICAL GROUP INC	Employer identification number 20-8106540
--	--

Identifier	Return Reference	Explanation
Pt VI-A, Line 7a		The 4 Physician Directors of the Board are elected by the Board, after

Identifier	Return Reference	Explanation
		being nominated by the Division Chairs, and after that nomination is

Identifier	Return Reference	Explanation
		ratified by a majority vote of all of the physicians w ho have been

Identifier	Return Reference	Explanation
		employed by DMG at a 8 FTE or higher for at least one year

Identifier	Return Reference	Explanation
Pt VI-A, Line 8b		The only committee authorized to act on behalf of the Board is the executive

Identifier	Return Reference	Explanation
		committee Minutes are not kept of the executive committe meetings, how ever

Identifier	Return Reference	Explanation
		any action of the executive commtee is required to be ratified by the Board at its

Identifier	Return Reference	Explanation
		next regularly scheduled meeting, of which minutes are kept

Identifier	Return Reference	Explanation
Pt VI-B, Line 11a		Once prepared, the draft of the form 990 is review ed by the tax/non-

Identifier	Return Reference	Explanation
		profit partner of a large public accounting firm (the firm has substantial

Identifier	Return Reference	Explanation
		non-profit experience) In addition, a copy of the draft is sent to

Identifier	Return Reference	Explanation
		each of the Board Members The form is updated based on suggested

Identifier	Return Reference	Explanation
		revisions, and then each page is review ed by the CFO and the Controller

Identifier	Return Reference	Explanation
		prior to signing and forwarding to the IRS

Identifier	Return Reference	Explanation
Pt V-B, Line 12c		The Conflict of Interest Policy and Procedure is review ed w ith the

Identifier	Return Reference	Explanation
		Board annually, and the Conflict of Interest Disclosure Statement is

Identifier	Return Reference	Explanation
		completed annually, and retained by the Chief Compliance Officer Any

Identifier	Return Reference	Explanation
		potential conflicts of interest identified from the Disclosure Statements

Identifier	Return Reference	Explanation
		are review ed by the Executive Committee and the organization's legal

Identifier	Return Reference	Explanation
		counsel, if needed, and unresolved potential conflicts are noted so

Identifier	Return Reference	Explanation
		that actual conflicts of interest are avoided

Identifier	Return Reference	Explanation
Pt VI-B, Line 15		The compensation of the CEO, and other officers, is determined based

Identifier	Return Reference	Explanation
		on survey data produced by MGMA, a nationally recognized medical

Identifier	Return Reference	Explanation
		group management association The results of the survey are presented

Identifier	Return Reference	Explanation
		to and review ed by the Compensation Committtee, and approved by only the

Identifier	Return Reference	Explanation
		Community Board Members of the committee(independent, and not employed

Identifier	Return Reference	Explanation
		by DMG) Such discussions and actions are reflected in the minutes of

Identifier	Return Reference	Explanation
		a duly constituted meeting of the committee

Identifier	Return Reference	Explanation

Identifier	Return Reference	Explanation
Pt VI-C, Line 19		DMG makes its governing documents, conflict of interest policy, and

Identifier	Return Reference	Explanation
		financial statements available to the public through written requests

Identifier	Return Reference	Explanation
		received at the Corporate Office The request is to be review ed by the

Identifier	Return Reference	Explanation
		appropriate Corporate Officer, who will oversee the fulfilling of the

Identifier	Return Reference	Explanation
		request

Identifier	Return Reference	Explanation

Identifier	Return Reference	Explanation
Part III, Line 4a		Established in 1993, by 2010 our 350+ provider multi-specialty group

Identifier	Return Reference	Explanation
		practice evolved into District Medical Group, Inc (DMG), a locally

Identifier	Return Reference	Explanation
		ow ned, not-for-profit healthcare organization, the second largest in

Identifier	Return Reference	Explanation
		Arizona Our mission is to improve the health and well-being of

Identifier	Return Reference	Explanation
		individuals in the Phoenix area and the entire state of Arizona through

Identifier	Return Reference	Explanation
		this integrated group practice, focusing on patient care, education,

Identifier	Return Reference	Explanation
		research, and community service We strive to ensure that our patients

Identifier	Return Reference	Explanation
		have equal access to the highest quality, safest care in the most

Identifier	Return Reference	Explanation
		appropriate settings, regardless of a patients ability to pay We

Identifier	Return Reference	Explanation
		support and seek to create new programs and services that reflect the

Identifier	Return Reference	Explanation
		needs of all patients, across all spectrums of life- from birth to the

Identifier	Return Reference	Explanation
		elderly, including the most vulnerable, the poor and the underserved

Identifier	Return Reference	Explanation
		The heart of our mission is providing exceptional and compassionate

Identifier	Return Reference	Explanation
Part III, Line 4a		medical care with no restrictions to our entire community DMG with

Identifier	Return Reference	Explanation
(cont)		its affiliates comprise 38 clinical sites, approximately 700 providers,

Identifier	Return Reference	Explanation
		and 182 non-provider employees In 2010, DMG served approximately

Identifier	Return Reference	Explanation
		25,000 inpatients, 467,000 outpatients, and 74,000 emergency/urgent

Identifier	Return Reference	Explanation
		care visits During 2010 DMGs direct economic output, including the

Identifier	Return Reference	Explanation
		service economy, is estimated at \$117 million The indirect economic

Identifier	Return Reference	Explanation
		benefit to the community is significantly more

Identifier	Return Reference	Explanation

Identifier	Return Reference	Explanation
		District Medical Group staffs the Maricopa Integrated Health System,

Identifier	Return Reference	Explanation
		w hich includes a 450 bed acute care hospital, a 200 bed inpatient

Identifier	Return Reference	Explanation
		psychiatric hospital, eleven family health centers throughout the

Identifier	Return Reference	Explanation
		valley and a large diagnostic center DMG also staffs the internationally

Identifier	Return Reference	Explanation
		renow ned Arizona Burn Center, the 2nd largest in the US, admitting 950

Identifier	Return Reference	Explanation
		patients/year and serving 4,000 patients/year in the outpatient burn

Identifier	Return Reference	Explanation
		clinic, the verified American College of Surgeons Level I trauma center,

Identifier	Return Reference	Explanation
		and Level 2 pediatric trauma center, and the Arizona Childrens Center,

Identifier	Return Reference	Explanation
		a NACHRI-certified childrens hospital, caring for over 19,000 patients/

Identifier	Return Reference	Explanation
		year betw een the Pediatric Emergency department, Pediatric Intensive

Identifier	Return Reference	Explanation
		Care Unit, the Neonatal Intensive Care Unit, and the Pediatric inpatient

Identifier	Return Reference	Explanation
		areas, with a dedicated area for pediatric procedural sedations Among

Identifier	Return Reference	Explanation
		other innovative programs DMG provides are the Refugee Womens Health

Identifier	Return Reference	Explanation
		Clinic, the first of its kind in Arizona, providing culturally-grounded

Identifier	Return Reference	Explanation
		healthcare to the grow ing refugee and immigrant community, and the

Identifier	Return Reference	Explanation
		Mariposa Wings to Safety, w hose focus is on victims and families

Identifier	Return Reference	Explanation
		affected by domestic violence and sexual abuse

Identifier	Return Reference	Explanation

Identifier	Return Reference	Explanation
		Through our formal affiliation and partnership w ith Marcopa Integrated

Identifier	Return Reference	Explanation
Part III, Line 4a		Health System (MIHS) and the University of Arizona College of Medicine,

Identifier	Return Reference	Explanation
(cont)		w e are a recognized leader in providing high quality, innovative medical

Identifier	Return Reference	Explanation
		care delivered in a fiscally responsible and cost effective manner As

Identifier	Return Reference	Explanation
		the largest teaching faculty in Phoenix, w e annually train over 225

Identifier	Return Reference	Explanation
		residents and fellow s, another 60 in affiliated programs, and supervise

Identifier	Return Reference	Explanation
		600 medical student rotations A majority of DMG physicians hold faculty

Identifier	Return Reference	Explanation
		positions w ith the University of Arizona College of Medicine, giving

Identifier	Return Reference	Explanation
		and attending clinical lectures and other academic events, and actively

Identifier	Return Reference	Explanation
		teaching and supporting scholarship and research activities In 2010

Identifier	Return Reference	Explanation
		alone, we w ere involved in over 140 active research projects, including

Identifier	Return Reference	Explanation
		industry-sponsored and NIH grants Some of these were an observational

Identifier	Return Reference	Explanation
		prospective study to assess RSV respiratory events among premature

Identifier	Return Reference	Explanation
		infants (32-35 w eeks gestational age) an outcome and risk tracking

Identifier	Return Reference	Explanation
		study, a multi-center, randomized, double-blind, parallel group, active-

Identifier	Return Reference	Explanation
		controlled study to evaluate the efficacy and safety of LCZ696 compared

Identifier	Return Reference	Explanation
		to enalapril on morbidity and mortality in patients w ith chronic heart

Identifier	Return Reference	Explanation
		failure and reduced ejection fraction (PARADIGM), Green Tea Extract in

Identifier	Return Reference	Explanation
		Preventing Cervical Cancer in Patients With Human Papillomavirus and

Identifier	Return Reference	Explanation
		Low -Grade Cervical Intraepithelial Neoplasia, Strategies using Off-

Identifier	Return Reference	Explanation
		Patent antibiotics for Methicillin-Resistant Staphylococcus aureus

Identifier	Return Reference	Explanation
		("STOP MRSA") - A Phase IIB, multi-center, randomized, double-blind

Identifier	Return Reference	Explanation
		clinical trial, and a Phase 2b/3, multi-center, randomized, double-blind,

Identifier	Return Reference	Explanation
		placebo controlled trial to Evaluate the Safety and Efficacy of

Identifier	Return Reference	Explanation
		Pagibaximab Injection in Very Low Birth Weight (VLBW) Neonates for the

Identifier	Return Reference	Explanation
		Prevention of Staphylococcal Sepsis

Identifier	Return Reference	Explanation

Identifier	Return Reference	Explanation
		DMG believes that creating an institutional culture of scholarship and

Identifier	Return Reference	Explanation
Part III, Line 4a		promoting clinical research improves the health and well-being of all

Identifier	Return Reference	Explanation
(cont)		our patients and their communities DMG physicians are frequent

Identifier	Return Reference	Explanation
		contributors to national peer-review ed publications and presenters at

Identifier	Return Reference	Explanation
		national medical conferences and workshops, holding active leadership

Identifier	Return Reference	Explanation
		positions in national and international medical societies DMG providers

Identifier	Return Reference	Explanation
		and employees furnish significant assistance and personal resources to

Identifier	Return Reference	Explanation
		the community as well as outlying areas through health fairs with

Identifier	Return Reference	Explanation
		screenings, immunizations, information and access to integrated services,

Identifier	Return Reference	Explanation
		community outreach events highlighting prenatal screenings,

Identifier	Return Reference	Explanation
		rehabilitation, hospice, senior care, transportation and care

Identifier	Return Reference	Explanation
		coordination, back-to-school and holiday clinics for children and

Identifier	Return Reference	Explanation
		students, childhood and adolescent obesity clinics, and seminars

Identifier	Return Reference	Explanation
		promoting exercise and nutrition in our partnerships w ith local schools

Identifier	Return Reference	Explanation
		DMG physicians volunteer their time seeing patients at the Arizona State

Identifier	Return Reference	Explanation
		Health Department, the Crisis Nursery, St Vincent de Paul, the Red

Identifier	Return Reference	Explanation
		Cross and scores of nonprofit agencies, centers and clinics across the

Identifier	Return Reference	Explanation
		county and the state Awareness and sensitivity to the historical,

Identifier	Return Reference	Explanation
		cultural and traditional mores of the large Hispanic and varied Native

Identifier	Return Reference	Explanation
		American populations across Arizona is a hallmark of DMGs longstanding

Identifier	Return Reference	Explanation
		commitment to making healthcare services and information accessible and

Identifier	Return Reference	Explanation
		effective for everyone, benefiting the entire community Nationally and

Identifier	Return Reference	Explanation
		internationally, DMGs physicians have been on the scene w herever

Identifier	Return Reference	Explanation
		medical help is needed, bringing their clinical expertise to combat

Identifier	Return Reference	Explanation
		hospitals in war-torn Iraq and Afghanistan, relief efforts in New

Identifier	Return Reference	Explanation
		Orleans, the devastation in Haiti, day to day medical crises and

Identifier	Return Reference	Explanation
		emergencies in many countries in Africa and Asia Working w ith Doctors

Identifier	Return Reference	Explanation
		w ithout Borders, the Red Cross, other relief agencies, and even on their

Identifier	Return Reference	Explanation
Part III, Line 4a		own, DMGs physicians have made a difference and been gratefully

Identifier	Return Reference	Explanation
(cont)		recognized for their efforts and contributions, to the extent of

Identifier	Return Reference	Explanation
		receiving the Citizen Service Above Self aw ard from the Congressional

Identifier	Return Reference	Explanation
		Medal of Honor Foundation Through community health improvement

Identifier	Return Reference	Explanation
		services, health professions education, subsidized health services,

Identifier	Return Reference	Explanation
		research, cash and in-kind contributions, and community benefiting

Identifier	Return Reference	Explanation
		activities, DMG contributed \$18,048,230 in 2010

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships
▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
DISTRICT MEDICAL GROUP INC

Employer identification number
20-8106540

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

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

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

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

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) DMG INSURANCE COMPANY INC 2929 E THOMAS ROAD PHOENIX, AZ85016 26-1262665	PURE CAPTIVE INSURER	AZ	NA	C	429,097	7,032,757	100 000 %

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on 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

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

Yes

No

No

No

No

Yes

Yes

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) DMG INSURANCE COMPANY INC	k	95,464	Estimated Allocation
(2) DMG INSURANCE COMPANY INC	p	491,212	Cash
(3) DMG INSURANCE COMPANY INC	q	1,825,417	Cash
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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.

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
Part V -Line 2 (1)		The amount presented represents an estimated cost of personnel time
		provided by employees of the parent to the subsidiary This amount was
		based on an estimate of annual hours parent employees dedicated to
		managing the subsidiary The parent absorbed these costs, which are
		included in Part IX of Form 990, and was not reimbursed by the subsidiary
Part V -Line 2 (2)		The parent pays the daily operating expenses of the subsidiary and
		is reimbursed by the subsidiary on a quarterly basis These expenses
		can include but are not limited to accounting fees, management fees,
		license fees, and case defense costs The amount presented is the
		total expenses for 2010 reimbursed by the subsidiary These expenses
		are excluded from amounts in Parts VIII - X of Form 990 At the end
		of the year, the subsidiary had no amounts due to the parent
Part V -Line 2 (3)		This amount represents total premiums paid to the subsidiary for
		professional liability insurance coverage This amount is included in
		the insurance expense reported in Part IX, line 23 of Form 990