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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 07-01-2010 and ending 06-30-2011

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

C Name of organization
Devereux Foundation

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
2012 Renaissance Boulevard

Room/suite

City or town, state or country, and ZIP + 4
King of Prussia, PA 19406

D Employer identification number
23-1390618

E Telephone number
(610) 542-3065

G Gross receipts $ 389,170,910

F Name and address of principal officer
Robert Q Kreider
444 Devereux Drive
Villanova, PA 19085

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

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www devereux org

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

L Year of formation 1938

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Devereux is a leading nonprofit behavioral health organization that supports many of the most underserved and vulnerable members of our communities

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	7,622
6	Total number of volunteers (estimate if necessary)	**6**	1,100
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**	

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	16,652,524	10,965,472
9	Program service revenue (Part VIII, line 2g)	359,419,747	364,255,600
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	998,290	4,462,254
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,170,189	1,775,122
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	378,240,750	381,458,448
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	268,755,000	273,553,978
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶2,686,364		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	107,201,984	106,023,470
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	375,956,984	379,577,448
19	Revenue less expenses Subtract line 18 from line 12	2,283,766	1,881,000

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	209,996,000	197,759,000
21	Total liabilities (Part X, line 26)	167,083,000	155,519,000
22	Net assets or fund balances Subtract line 21 from line 20	42,913,000	42,240,000

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

****** 2012-05-07
Signature of officer Date

ROBERT C DUNNE CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☑	PTIN
		2012-05-07		

Firm's name ▶ JOSEPH SZEMANEK ESQ LLC — Firm's EIN ▶

Firm's address ▶ 5 GRANITE CIRCLE
DOYLESTOWN, PA 18901 — Phone no ▶ (215) 489-1614

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

DEVEREUX IS A LEADING NONPROFIT BEHAVIORAL HEALTH ORGANIZATION THAT SUPPORTS MANY OF THE MOST UNDERSERVED AND VULNERABLE MEMBERS OF OUR COMMUNITIES FOUNDED IN 1912 BY HELENA DEVEREUX, WE OPERATE A COMPREHENSIVE NATIONAL NETWORK OF CLINICAL, THERAPEUTIC, EDUCATIONAL, AND EMPLOYMENT PROGRAMS AND SERVICES THAT POSITIVELY IMPACT THE LIVES OF TENS OF THOUSANDS OF INDIVIDUALS AND FAMILIES EVERY YEAR WE HELP EMPOWER CHILDREN AND ADULTS WITH INTELLECTUAL, EMOTIONAL, DEVELOPMENTAL, AND BEHARIORAL CHALLENGES TO LEAD FULFILLING AND REWARDING LIVES DEVEREUX PROVIDES CONSISTENTLY HIGH QUALITY PROGRAMS, SERVICES, AND RESOURCES IN SAFE AND SUPPORTIVE ENVIRONMENTS THAT ENRICH AND EMPOWER INDIVIDUALS AND COMMUNITIES, AND PROVIDE SUPPORT TO HELP THEM BE THE BEST THEY CAN BE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the 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 $ 181,555,265 including grants of $) (Revenue $ 198,814,828)

Campus-Based Residential/Education Across its 15 centers, Devereux provides a spectrum of campus-based residential services including intensive inpatient psychiatric treatment for children and adolescents, partial hospitalization for children, adolescents and adults, residential treatment for the autistic spectrum of disorders, substance abuse treatment, and including such challenging services as treatment for adolescent sexual offenders Devereux offers age-appropriate educational services for students in its residential programs These students may be in treatment for mental/emotional disorders, behavioral disorders, learning disabilities and intellectual and developmental disorders The focus of these programs is to ensure the provision of high-quality services and resources in a safe and supporting environment The number of clients served by these programs is approximately 1,573 for year ending June 30, 2011 Expenses do not include management and general expenses in the amount of $26,091,969

4b (Code) (Expenses $ 58,144,306 including grants of $) (Revenue $ 65,066,671)

Community-Based Residential Services include transitional living arrangements, group homes, supervised apartments, psycho-social rehabilitation day programs and vocational training programs for adolescents and adults with intellectual and developmental disabilities In most of these community-based residential programs, Devereux staff provide 24/7 supervision and treatment of individuals The number of clients served by these programs is approximately 643 for year ending June 30, 2011 Expenses do not include management and general expenses of $9,551,235

4c (Code) (Expenses $ 25,841,914 including grants of $) (Revenue $ 28,918,520)

Foster Care The Devereux Foundation offers foster care in group foster homes and in therapeutic foster homes in Arizona, Florida, Georgia, Massachusetts, New Jersey, Texas and at four locations in Pennsylvania The number of clients served by these programs is approximately 938 for year ending June 30, 2010 Expenses do not include management and general expenses of $4,249,993 For 4d Other program services, expenses do not include management and general expenses of $10,081,858

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**

(Expenses $ 61,374,544 including grants of $) (Revenue $ 71,455,581)

4e **Total program service expenses** ▶ $ 326,916,029

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	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
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	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *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		No
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		No
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	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
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	Yes	

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? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		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? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**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)? *If "Yes," complete Schedule R, Part V, line 2* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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 . . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	1,356		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	7,622			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**		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**	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**	Yes	
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**		No
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		No
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		No
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			**13a**		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 16		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 15		
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		No
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	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

			Yes	No
10a	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? *If "No," go to line 13*	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 , CA , CO , CT , DE , FL , GA , MA , MI , NJ , PA , RI , WA

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

☐ Own website ☑ Another's website ☑ 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 ▶

ROBERT C DUNNE CFO
2012 RENAISSANCE BOULEVARD
King of Prussia, PA 19406
(610) 542-3063

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			
See Additional Data Table										

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			
See Additional Data Table										
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								5,282,588	0	613,455

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 ▶ 82

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Restore OT PT SLPPC PO Box 376 COHOES, NY 12407	Ancillary Therapies	553,509
Ernst and Young LLP 2001 Market St Ste 4000 PHILADELPHIA, PA 191037096	Auditing	465,223
William L Carroll MD 3094 Park Terrace BROOMALL, PA 19008	Medical Services	373,865
Michael G Berno MD 16922 Cottonweed Way HOUSTON, TX 77059	Psychiatric Services	365,600
G Pirooz Sholevar MD 222 Righters Mill Rd NARBERTH, PA 19072	Psychiatric Services	340,610

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 ▶ 5

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	246,149				
	b Membership dues 1b					
	c Fundraising events 1c	298,848				
	d Related organizations . . . 1d					
	e Government grants (contributions) 1e	926,253				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	9,494,222				
	g Noncash contributions included in lines 1a-1f $	1,273,283				
	h **Total.** Add lines 1a-1f . . . . . ▶		10,965,472			
Program Service Revenue		Business Code				
	2a CAMPUS BASED RESIDENTIAL/EDUCATION		198,814,828	198,814,828		
	b COMMUNITY-BASED RESIDENTIAL		65,066,671	65,066,671		
	c FOSTER CARE		28,918,520	28,918,520		
	d ACUTE CARE		7,229,630	7,229,630		
	e CASE MANAGEMENT		18,074,075	18,074,075		
	f All other program service revenue		46,151,876	46,151,876		
	g **Total.** Add lines 2a–2f . . . . . ▶		364,255,600			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		3,156,273	3,156,273		
	4 Income from investment of tax-exempt bond proceeds . . ▶		0			
	5 Royalties . . . . . ▶		0			
		(i) Real / (ii) Personal				
	6a Gross Rents: 147,242 /					
	b Less rental expenses: 101,596 /					
	c Rental income or (loss): 45,646 /					
	d Net rental income or (loss) . . . . . ▶		45,646			
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory: 8,136,347 / 358,931					
	b Less cost or other basis and sales expenses: 7,092,496 / 96,801					
	c Gain or (loss): 1,043,851 / 262,130					
	d Net gain or (loss) . . . . . ▶		1,305,981			
Other Revenue	8a Gross income from fundraising events (not including $ 298,908 of contributions reported on line 1c) See Part IV, line 18 . . . a	1,111,087				
	b Less direct expenses . . . b	421,569				
	c Net income or (loss) from fundraising events . . ▶		689,518			
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . . ▶		0			
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶		0			
	Miscellaneous Revenue	Business Code				
	11a ICTR INTELLECTUAL PRODUCT SALES		502,794			502,794
	b FORFEITED SECURITY DEPOSITS		86,976			86,976
	c MISCELLANEOUS INCOME		450,188			450,188
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		1,039,958			
	12 **Total revenue.** See Instructions . . . ▶		381,458,448	367,411,873		1,039,958

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	0			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	3,786,126	0	3,309,168	476,958
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	209,255,031	180,159,250	28,308,502	787,279
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,334,406	7,266,374	1,944,646	123,386
9 Other employee benefits	36,050,746	31,639,442	4,238,196	173,108
10 Payroll taxes	15,127,669	13,010,082	2,001,108	116,479
a Fees for services (non-employees) Management	0			
b Legal	292,619	20,797	271,822	
c Accounting	495,927	108,619	387,308	
d Lobbying	0			
e Professional fundraising services *See Part IV, line 17*	0			
f Investment management fees	0			
g Other	34,394,671	32,677,226	1,546,347	171,098
12 Advertising and promotion	713,909	249,064	372,602	92,243
13 Office expenses	17,534,509	16,182,916	807,852	543,741
14 Information technology	1,021,502		1,021,502	
15 Royalties	0			
16 Occupancy	25,294,842	21,669,584	3,490,639	134,619
17 Travel	2,505,630	1,907,569	562,853	35,208
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	82,795	22,560	46,991	13,244
20 Interest	4,100,540	2,336,339	1,760,437	3,764
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	10,727,834	9,275,250	1,439,063	13,521
23 Insurance	4,618,668	4,402,933	214,019	1,716
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 DEBTS	1,789,671	1,789,671		
b CLIENT TRANSPORTATION	2,511,905	2,511,905		
c GIFTS IN KIND OFFSET	1,184,448	1,184,448		
d EXTINGUISHMENT OF DEBT	502,000	502,000		
e CONTINUING CARE	-1,748,000		-1,748,000	
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	379,577,448	326,916,029	49,975,055	2,686,364
26 **Joint costs.** Check here ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		6,492,000	2	5,289,000
	3	Pledges and grants receivable, net		8,789,000	3	8,901,000
	4	Accounts receivable, net		40,323,000	4	42,909,000
	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			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		7,378,000	9	4,822,000
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 273,000,702			
	b	Less accumulated depreciation	10b 165,986,702	101,587,000	10c	107,014,000
	11	Investments—publicly traded securities		40,708,000	11	25,360,000
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		4,719,000	15	3,464,000
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		209,996,000	16	197,759,000
Liabilities	17	Accounts payable and accrued expenses		26,620,000	17	30,338,583
	18	Grants payable			18	
	19	Deferred revenue		9,087,000	19	8,976,000
	20	Tax-exempt bond liabilities		72,287,000	20	55,899,000
	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		5,076,000	23	4,744,000
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		54,013,000	25	55,561,417
	26	**Total liabilities.** Add lines 17 through 25		167,083,000	26	155,519,000
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		25,768,000	27	25,696,000
	28	Temporarily restricted net assets		17,145,000	28	16,544,000
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		42,913,000	33	42,240,000
	34	Total liabilities and net assets/fund balances		209,996,000	34	197,759,000

Part XI Reconcilliation 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	381,458,448
2	Total expenses (must equal Part IX, column (A), line 25)	2	379,577,448
3	Revenue less expenses Subtract line 2 from line 1	3	1,881,000
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	42,913,000
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-2,554,000
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	42,240,000

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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 ☐ Separate basis ☑ Consolidated basis ☐ 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?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b	Yes	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

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 331/3% 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 331/3% 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?

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

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

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

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						
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**

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15
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
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 ▶☐

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 ▶☐

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

Part IV **Supplemental Information.** 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

Additional Data

Software ID:
Software Version:
EIN: 23-1390618
Name: Devereux Foundation

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

(A) Name and Title	(B) Average hours per week	(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			
Francis Genuardi Chairman	5 0	X						0	0	0
Thomas Hays Vice Chairman	5 0	X						0	0	0
Samuel G Coppersmith Vice Chairman	5 0	X						0	0	0
Marilyn Benoit Trustee	2 0	X						0	0	0
Dr Tami Benton Trustee	2 0	X						0	0	0
Christopher D Butler Trustee	2 0	X						0	0	0
Robert D Ellis Trustee	2 0	X						0	0	0
Elva Ferrari Trustee	2 0	X						0	0	0
Robert Gottlieb Trustee	2 0	X						0	0	0
John R Gunn Trustee	2 0	X						0	0	0
Peter R Haje Trustee	2 0	X						0	0	0
Dr Howard Hassman Trustee	2 0	X						0	0	0
Alba E Martinez Trustee	2 0	X						0	0	0
James H Schwab Trustee	2 0	X						0	0	0
K Lisa Yang Trustee	2 0	X						0	0	0
Robert Q Kreider President and CEO	58 0	X		X				544,523	0	76,767
Margaret M McGill Sr VP and COO	55 0			X				306,527	0	54,223
Robert C Dunne Sr VP and CFO	55 0			X				243,871	0	49,422
Elizabeth Chadwick Sr VP of External Affairs	55 0			X				293,478	0	57,762
L Gail Atkinson VP of Operations	55 0			X				229,390	0	21,768
Sarah E Lenahan VP of Ops and Org Development	55 0			X				228,893	0	27,825
Dolores McLaughlin Sr VP Genl Counsel and Secy	55 0			X				246,056	0	26,262
Timothy Dillon VP of HR	55 0			X				189,472	0	13,669
Martha Lindsay VP Product Development	55 0			X				186,627	0	23,121
Lawrence W Williams VP Compliance and Admin	55 0			X				176,880	0	20,294

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

(A) Name and Title	(B) Average hours per week	(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			
Leah Yaw VP of Development	55 0			X				160,194	0	9,375
Stanley J Kopala Treasurer	55 0			X				12,692	0	3
Roberta M Lewis Assistant Secretary	55 0			X				93,904	0	15,861
Steven Murphy Executive Director	55 0				X			210,148	0	13,844
Carol Oliver Executive Director	55 0				X			209,648	0	25,067
John OKeefe Executive Director	55 0				X			184,537	0	11,990
Tilden Reeder Psychiatrist	80 0					X		467,877	0	28,854
Jacqueline Zavodnick Medical Director	55 0					X		253,079	0	28,614
Robert Handler Psychiatrist	55 0					X		248,700	0	32,999
Emilio Roig Medical Director	55 0					X		262,316	0	32,103
Joel Edelstein Associate Medical Director	55 0					X		277,690	0	23,073
Steven H Mansh retired Treasurer	0 0						X	101,836	0	14,439
Lorrie Hendersonresigned Sr VP and CCO	0 0						X	154,250	0	6,120

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code)	(Expenses $	6,460,478	including grants of $	(Revenue $	7,229,630)
Acute Care					
(Code)	(Expenses $	16,151,196	including grants of $	(Revenue $	18,074,075)
Case Management					
(Code)	(Expenses $	38,762,870	including grants of $	(Revenue $	46,151,876)
Outpatient/Other Services					

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
Devereux Foundation	23-1390618

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)	213,285	
c Total lobbying expenditures (add lines 1a and 1b)	213,285	
d Other exempt purpose expenditures	323,023,920	
e Total exempt purpose expenditures (add lines 1c and 1d)	323,237,205	
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

4-Year Averaging Period Under Section 501(h)

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	112,468	286,863	249,284	213,285	861,900
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures					

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

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

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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 ☐ Yes ☐ No

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

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

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? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ 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

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

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

b If "Yes," explain the arrangement in Part 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

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

4 Describe in Part 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		4,619,561		4,619,561
b Buildings		174,330,071	100,234,280	74,095,791
c Leasehold improvements		56,266,769	46,938,752	9,328,017
d Equipment				
e Other		37,784,301	18,813,670	18,970,631
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				107,014,000

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

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
SELF INSURANCE PROGRAMS RESERV	28,095,727
ESTIMATED 3RD PARTY PAYOR SETT	9,802,000
OBLIGATION TO PROVIDE FUTURE C	11,450,000
CLIENT FUNDS ON DEPOSIT	1,854,000
ENVIRONMENTAL REMEDIATION	419,798
ARBITRAGE REBATE LIABILITY ON	219,892
LOAN TO NY CTR FROM HELENA DEVEREUX FOUNDATION	3,720,000
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	55,561,417

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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	381,458,448
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	379,577,448
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,881,000
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	-3,819,000
9	Total adjustments (net) Add lines 4 - 8	9	-3,819,000
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,938,000

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	378,203,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-3,255,448		
e	Add lines **2a** through **2d**			2e	-3,255,448
3	Subtract line **2e** from line **1**			3	381,458,448
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	381,458,448

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

1	Total expenses and losses per audited financial statements			1	380,141,000
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	563,552		
e	Add lines **2a** through **2d**			2e	563,552
3	Subtract line **2e** from line **1**			3	379,577,448
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	379,577,448

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
Schedule D Part V Line 4	Endowment Funds	The endowment funds are held by two related non-profit organizations, Helena Devereux Foundation (HDF) and Devereux Cleo Wallace Foundation (CWF) HDF invests funds transferred to it from the Devereux Foundation and uses the earnings from these investments to further Devereux's mission of changing lives and nurturing human potential through a wide range of services and supports for individuals and families The end of year balance for the HDF endowment is $104,531,000 CWF invests funds for Devereux Cleo Wallace and distributes unrestricted funds to Devereux Cleo Wallace to support its residential treatment programs for children and adolescents who suffer from a range of diagnoses, including psychiatric disorders, emotional and behavioral disorders, chemical dependency and learning disabilities The end of year balance for CWF's endowment is $5,182,000
Schedule D Part XI	Reconciliation of Change in Net Assets from Form 990 to Audited Finl Stmt	Other Temporarily Restricted Gifts $(3,819,000)
Schedule D Part XII	Reconciliation of Revenue per Audited Finl Stmts with Revenue per Return	Other Temporarily Restricted Gifts $3,819,000 Continuing Care (1,748,000) Gifts in Kind Offset 1,184,448 _____ $3,255,448
Schedule D Part XIII	Reconciliation of Expenses per Audited Finl Stmts with Expenses per Return	Gifts in kind $ 1,184,448 Continuing Care (1,748,000) _____ $ (563,552)

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

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

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

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

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

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

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 PA Gala (event type)	(b) Event #2 CT Auction (event type)	(c) Other Events 10 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	238,347	233,695	899,062	1,371,104
	2 Less Charitable contributions	9,432	300	16,890	26,622
	3 Gross income (line 1 minus line 2)	228,915	233,395	882,172	1,344,482
Direct Expenses	4 Cash prizes			645	645
	5 Non-cash prizes			27,183	27,183
	6 Rent/facility costs			37,968	37,968
	7 Food and beverages	79,369	15,603	125,119	220,091
	8 Entertainment	5,000		12,835	17,835
	9 Other direct expenses	45,975	750	78,395	125,120
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				428,842
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				915,640

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶

Address ▶

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

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

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ $

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493123007152

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)						
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits						
k **Total.** Add lines 7d and 7j						

Part II **Community Building Activities** during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

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

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,789,000		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	16,094,000		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	10,671		
6	Enter Medicare allowable costs of care relating to payments on line 5	6			
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	10,671		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a			No
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b			

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 3

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	Devereux Florida Treatment Network 8000 Devereux Drive Viera, FL 32822	X		X						Inpatient psych
2	Childrens Behavioral Health Center 655 Sugartown Road Malvern, PA 19355	X		X						Inpatient psych
3	Devereux Hosp Neurobehavioral Inst of TX Houston Ctr 1150 Devereux Drive League City, TX 77573	X		X						Inpatient psych

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Devereux Florida Treatment Network

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 %			
11	Explained the basis for calculating amounts charged to patients?	11		No
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☐ Income level			
	b ☐ Asset level			
	c ☐ Medical indigency			
	d ☐ Insurance status			
	e ☐ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13		No
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☐ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☐ The policy was available upon request			
	g ☐ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		No
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☑ Other (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16		No
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☑ Other (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
	a ☑ Notified patients of the financial assistance policy upon admission			
	b ☐ Notified patients of the financial assistance policy prior to discharge			
	c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**		No

If "No," indicate the reasons why (check all that apply)

- **a** ☑ The hospital facility did not provide care for any emergency medical conditions
- **b** ☑ The hospital facility did not have a policy relating to emergency medical care
- **c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- **d** ☑ Other (describe in Part VI)

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)

- **a** ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- **b** ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- **c** ☐ The hospital facility used the Medicare rate for those services
- **d** ☐ Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Childrens Behavioral Health Center

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 %			
11	Explained the basis for calculating amounts charged to patients?	11		No
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☐ Income level			
	b ☐ Asset level			
	c ☐ Medical indigency			
	d ☐ Insurance status			
	e ☐ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13		No
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☐ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☐ The policy was available upon request			
	g ☐ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		No
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☑ Other (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16		No
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☑ Other (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
	a ☑ Notified patients of the financial assistance policy upon admission			
	b ☐ Notified patients of the financial assistance policy prior to discharge			
	c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**		No

If "No," indicate the reasons why (check all that apply)

- **a** ☑ The hospital facility did not provide care for any emergency medical conditions
- **b** ☑ The hospital facility did not have a policy relating to emergency medical care
- **c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- **d** ☑ Other (describe in Part VI)

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)

- **a** ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- **b** ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- **c** ☐ The hospital facility used the Medicare rate for those services
- **d** ☐ Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: Devereux Hosp Neurobehavioral Inst of TX

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 3

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 %			
11	Explained the basis for calculating amounts charged to patients?	11		No
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☐ Income level			
	b ☐ Asset level			
	c ☐ Medical indigency			
	d ☐ Insurance status			
	e ☐ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☐ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13		No
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☐ The policy was attached to all billing invoices			
	c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☐ The policy was posted in the hospital facility's admissions offices			
	e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☐ The policy was available upon request			
	g ☐ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		No
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☑ Other (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16		No
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
	a ☑ Notified patients of the financial assistance policy upon admission			
	b ☐ Notified patients of the financial assistance policy prior to discharge			
	c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**		No

If "No," indicate the reasons why (check all that apply)

- **a** ☑ The hospital facility did not provide care for any emergency medical conditions
- **b** ☑ The hospital facility did not have a policy relating to emergency medical care
- **c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- **d** ☑ Other (describe in Part VI)

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)

- **a** ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- **b** ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- **c** ☐ The hospital facility used the Medicare rate for those services
- **d** ☐ Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**	Yes	
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? **17**

	Name and address	Type of Facility (Describe)
1	See Additional Data Table	
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
Schedule H Part VI	Descriptions of Facilities	The following hospitals provide psychiatric treatment to Devereux clients exclusively They provide no emergency room, surgical services, or any other services that are usually provided by community hospitals Devereux FL operates a 100-bed private psychiatric facility, this intensive residential treatment/specialty hospital provides care for children and adolescents ages 5 - 17 Devereux PA's Mapleton campus operates the Children's Behavioral Health Center, a 33-bed private psychiatric facility with 33 beds that provides care to children and adolescents ages 4 - 17 The 88-bed Devereux Hospital Neurobehavioral Institute of TX provides in-patient hospitalization services to children and adolescents in acure psychiatric and/or chemical dependency crisis

Identifier	ReturnReference	Explanation
Schedule H Part I	Charity Care and Certain Other Community Benefits	In advancement of its charitable mission, Devereux accepts clients with limited or no ability to pay for services A client is classified as a charity client based on established policies Charity services are defined as those for which no payment is anticipated In assessing a client's ability to pay, Devereux uses federal poverty income levels, but also includes cases where incurred charges are significant relative to income Under certain governmental reimbursement programs, Devereux has been paid an amount less than actual costs due to agency budgeting constraints or other factors The economic loss attributable to such programs is also reported as charity care Charity care amounts are not included in net client revenue or accounts receivable The amount of charges forgone, based on established rates, for services provided to clients that qualify for charity care and the economic shortfall attributable to unreimbursed costs of certain programs aggregated $16,094,000 and $16,625,000 in 2011 and 2010, respectively

Identifier	ReturnReference	Explanation
Schedule H Part I	Community Benefits	Devereux also provides a variety of services and benefits within the communities in which it operates, for which no compensation is received The cost of these services has not been quantified and, therefore, is not included in the charity care amounts listed above Devereux has not provided a separate Community Health Needs Assessment since we are not a general hospital Rather, our hospitals serve a specialized population and referrals come from wide geographic areas, including other states

Identifier	ReturnReference	Explanation
Schedule H Part V 15e	Billing and Collections	When all efforts at collections fail, Devereux may refer the outstanding bill to a collection agency

Identifier	ReturnReference	Explanation
Schedule H Part V 17	Policy Relating to Emergency Medical Care	Devereux facilities do not operate emergency rooms Nearly all of Devereux's clients come by way of referral

Identifier	ReturnReference	Explanation
Schedule H Part V	Charges for Medical Care	Devereux provides an allowance for uncollectible accounts for estimated losses resulting from the unwillingness or inability of clients to make payments for services The allowance is determined by analyzing specific accounts and historical data and trends Accounts receivable are charged off against the allowance for uncollectible accounts when management determines that recovery is unlikely and Devereux ceases collection efforts Losses have been consistent with management's expectations

Identifier	ReturnReference	Explanation
Schedule H Part V 21	Charges for Medical Care	Devereux has a number of private pay clients who pay the standard rate for care

Identifier	ReturnReference	Explanation
Schedule H Part V 16e	Billing and Collection	When all efforts at collections fail, Devereux may refer the outstanding bill to a collection agency

Additional Data

Software ID:
Software Version:
EIN: 23-1390618
Name: Devereux Foundation

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest) How many non-hospital facilities did the organization operate during the tax year? **17** Name and address	Type of Facility (Describe)
Devereux Florida Treatment Network 5850 TG Lee Blvd Ste 400 Orlando, FL 32822	Residential and outpatient treatment Group homes Foster care
Devereux Adult Services Old Schoolhouse Road Berwyn, PA 19312	Residential and group homes for autistic & intellectually disabled adults
Childrens Behavioral Health Services 51 Patterson Dr Glenmoore, PA 19343	Residential and educational services for treatment of behavioral disorders
Devereux Texas Treatment Network Houston Ctr 1150 Devereux Dr League City, TX 77573	Residential treatment Day care Foster care
Devereux New York 40 Devereux Way Red Hook, NY 12571	12 mo residential and day school Behavioral interven- tion
Devereux New Jersey 286 Mantua Grove Rd Bldg 4 West Deptford, NJ 08066	Educational and residential treatment Group homes Thera- peutic foster care
Childrens IDD Services 390 E Boot Rd West Chester, CT 19380	Residential treatment Special education services Therapeutic foster care
Devereux MA Residential Treatment Ctr 60 Miles Rd PO Box 219 Rutland, MA 01543	Residential treatment, day school, group homes, therapeu- tic foster care
Devereux AZ Raskin Treatment Network 11000 N Scottsdale Rd Ste 260 Scottsdale, AZ 85254	Residential and outpatient treatment Group homes Foster care Therapeutic foster care
Devereux Glenholme School 81 Sabbaday La Washington, CT 06793	Residential education, day school, extended day and out- patient services
Devereux Pocono Center 1547 Mill Creed Rd Newfoundland, PA 18445	Community based programs for adults with intellectual or developmental disabilities
Devereux Santa Barbara 6980 Falberg Way Goleta, CA 93117	Off campus supported living On campus group homes Resid-
Devereux Georgia 1291 Stanley Rd Kennesaw, GA 30144	Specialty foster care Alter- native day school Group home Outpatient services
Devereux Texas Victoria Center 120 David Wade Dr Victoria, TX 77905	Children's residential, edu- cational, foster care, adult residential
Devereux Mapleton 655 Sugartown Road Box 275 Malvern, PA 19355	Residential, community-based and day school
Devereux Stone and Gable 228 Highland Ave Devon, PA 19333	Open residential treatment facility with special educa- tion services
Devereux Florida Tallahassee SIPP 2967 natural Bridge Rd No 2923 Tallahassee, FL 323051806	Comprehensive therapeutic approach involving family participation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Questions Regarding Compensation

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

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

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

Note. The sum of columns (B)(i)-(iii) 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				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Part VII A	Compensation of Officers, Directors, Trustees, Key Employees, etc	Marilyn Benoit, MD, resigned from her position on the Devereux Board of Trustees in January 2011 and accepted the post of Chief Clinical Officer for Devereux Steven H Mansh retired from his position as Treasurer of Devereux in September of 2010 Stanley J Kopala assumed the position of Treasurer of Devereux in November of 2010

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 23-1390618
Name: Devereux Foundation

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Robert Q Kreider	(I)	404,617	135,000	4,906	73,381	3,386	621,290	0
	(II)	0	0	0	0	0	0	0
Margaret M McGill	(I)	252,346	51,300	2,881	48,742	5,481	360,750	0
	(II)	0	0	0	0	0	0	0
Robert C Dunne	(I)	199,749	42,100	2,022	37,314	12,108	293,293	0
	(II)	0	0	0	0	0	0	0
Elizabeth Chadwick	(I)	241,535	48,100	3,843	48,200	9,562	351,240	0
	(II)	0	0	0	0	0	0	0
L Gail Atkinson	(I)	191,877	32,000	5,513	16,196	5,572	251,158	0
	(II)	0	0	0	0	0	0	0
Sarah E Lenahan	(I)	196,584	28,200	4,109	18,335	9,490	256,718	0
	(II)	0	0	0	0	0	0	0
Dolores McLaughlin	(I)	204,223	39,000	2,833	16,977	9,285	272,318	0
	(II)	0	0	0	0	0	0	0
Timothy Dillon	(I)	158,878	25,200	5,394	12,710	959	203,141	0
	(II)	0	0	0	0	0	0	0
Martha Lindsay	(I)	153,878	26,300	6,449	9,713	13,408	209,748	0
	(II)	0	0	0	0	0	0	0
Lawrence W Williams	(I)	145,860	24,800	6,220	12,113	8,181	197,174	0
	(II)	0	0	0	0	0	0	0
Leah Yaw	(I)	133,982	22,200	4,012	0	9,375	169,569	0
	(II)	0	0	0	0	0	0	0
Steven Murphy	(I)	176,616	32,244	1,288	12,865	979	223,992	0
	(II)	0	0	0	0	0	0	0
Carol Oliver	(I)	183,355	23,843	2,450	24,448	619	234,715	0
	(II)	0	0	0	0	0	0	0
John OKeefe	(I)	161,744	20,454	2,339	6,548	5,422	196,507	0
	(II)	0	0	0	0	0	0	0
Tilden Reeder	(I)	270,816	3,884	193,177	19,600	9,254	496,731	0
	(II)	0	0	0	0	0	0	0
Jacqueline Zavodnick	(I)	250,434	0	2,645	19,600	9,014	281,693	0
	(II)	0	0	0	0	0	0	0
Robert Handler	(I)	237,357	0	11,343	19,512	13,487	281,699	0
	(II)	0	0	0	0	0	0	0
Emilio Roig	(I)	237,203	22,480	2,633	18,976	13,127	294,419	0
	(II)	0	0	0	0	0	0	0
Joel Edelstein	(I)	224,408	2,500	50,782	10,875	12,198	300,763	0
	(II)	0	0	0	0	0	0	0
Steven H Mansh retired	(I)	89,251	8,279	4,306	7,750	6,689	116,275	7,618
	(II)	0	0	0	0	0	0	0
Lorrie Hendersonresigned	(I)	99,231	43,331	11,688	0	6,120	160,370	12,013
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

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2010

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	Chester Co Hlth and Education Facil Authority	23-2265260	165579DR1	06-01-2006	29,240,000	Plant improvement for Center p		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	29,240,000			
4	Gross proceeds in reserve funds	2,071,944			
5	Capitalized interest from proceeds	88,681			
6	Proceeds in refunding escrow	14,716,905			
7	Issuance costs from proceeds	402,126			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	2,117,699			
10	Capital expenditures from proceeds	13,998,684			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2010			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X							
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.**

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

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Name of the organization
Devereux Foundation

Employer identification number
23-1390618

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Christopher Butler IBC	Trustee	2,235,626	Employee health benefits		No
(2) Alba Martinez Vanguard	Trustee	69,000	Investments/Management Fees		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule L	Part IV	Trustee Christopher Butler, formerly a Vice President of Independence Blue Cross until June 2010, is now a member of their Board, as well as a trustee of Devereux Devereux paid claims amounting to $21,867,091 83 to IBC, as well as fees of $2,235,626 35 Trustee Alba Martinez is an officer of Vanguard, a mutual fund company At June 30, 2011, Devereux held investments of $10,993,410 in various Vanguard funds Related to these holdings, Devereux paid Vanguard fees for investment management and advisory services of $69,000

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▸Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
▸ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art	X	21	9,479	Market Price
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications	X		106,237	Market Price
5 Clothing and household goods	X		289,386	Market Price
6 Cars and other vehicles	X	7	34,275	Market Price
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X		88,995	Market Price
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles	X	46	19,194	Market Price
19 Food inventory	X	68	17,543	Market Price
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▸ (Advertising (PSAs))	X	9	159,410	Market Price
26 Other ▸ (Tickets)	X	203	105,278	Market Price
27 Other ▸ (Holiday gifts and decorations)	X	70	64,040	Market Price
28 Other ▸ (Miscellaneous)	X	730	379,606	Market Price

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

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

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Identifier	Return Reference	Explanation
Form 990 Part V Line 2a	Activities & Governance	The number of employees listed is the total number of employees who worked at Devereux at any time during the year, including those who left employment during calendar year 2010, as reported on Form W-3

Identifier	Return Reference	Explanation
Form 990 Part VI Section A	Governing Body and Management	Article I, Section 1 of the Bylaws of Devereux provide that Devereux shall be governed by a Board of Trustees of fifteen (15) to twenty-two (22) members of the Board The Executive Committee of the Board, which consists of six (6) members of the governing body, has the authority to act on behalf of the full Board of Trustees

Identifier	Return Reference	Explanation
Form 990 Part VI Section B Line 11	Policies	Form 990 is provided in hard-copy to all Board members approximately two months before the filing deadline (including any approved extensions) Board members are requested to provide comments or questions to the CFO by a specific date, approximately three weeks from receiving the draft The comments are reviewed by the CFO, who directs the response to all Board questions, and where appropriate, directs changes to be made to the Form 990 The Board is advised of the changes and given an opportunity for final review Additionally, the CFO reviews any important issues regarding the 990 at the Board's March meeting, with follow up as necessary after the meeting, and solicits additional Board comments and questions After this review process, the CFO signs the 990 and submits it to the IRS

Identifier	Return Reference	Explanation
Form 990 Part VI Section B Line 12c	Policies - Conflict of Interest	Representatives of Devereux dealing with clients, parents, guardians, vendors, competitors or anyone who does or seeks to do business with Devereux are required to act in Devereux's best interests, disregarding any personal preference or advantage Representatives shall make prompt and full disclosure to his/her manager and to Audit Services (and, in the case of Trustees and senior managers, to the Board's Audit and Compliance Committee) via the Devereux Conflict of Interest form of any prospective or actual situation that involves, may involve, or might appear to involve a conflict of interest Examples of potential conflicts include a Ownership or financial interest by a representative or family member in any business partner or competitor of Devereux b Serving as an officer, director, employee, consultant or agent to any business partner or competitor of Devereux c Acting as a broker, finder or any other intermediary for the benefit of a third party in a transaction potentially involving Devereux Members of the same family or living within the same domicile may be employed by Devereux in the same center or department unless the center Director or department head determines such employment is not in Devereux's best interest Relatives of senior management or trustees, as well as those working in Human Resources, Payroll, and Audit Services, shall not be hired by Devereux in any capacity unless approved in advance by the President/CEO Each Devereux employee has the responsibility to report any actual or perceived conflict of interest to management, Human Resources, the Vice President of Audit & Compliance or the Employee Helpline (an anonymous "whistleblower" service, where complaints are processed by an independent third party retained by Devereux for this purpose) Annually, a copy of Devereux's business ethics policy is mailed to trustees, officers, directors and key personnel along with the annual Conflict of Interest Disclosure Statement, which must be signed and returned to audit services within 30 days The annual disclosure requires an acknowledgement of understanding Devereux's business ethics policy, as well as disclosure of any conflict, or appearance of a conflict, between personal interests and the interests of Devereux A second request will be sent to those employees who have not returned the annual conflict of interest disclosure statement within 30 days A list of employees failing to comply with this reporting requirement will be sent to the appropriate Executive Director, or President/CEO for Corporate, if the form is not received within 60 days Failure to comply or falsification of disclosure may result in disciplinary action, including possible dismissal Newly-hired employees in the categories identified above are given this policy on the first day of their employment and are required to complete the annual Conflict of Interest Disclosure Statement immediately All employees disclosing a conflict or potential conflict must have the Disclosure Statement reviewed and signed by the Executive Director at their location (President/CEO for Corporate staff) prior to sending it to Audit Services All Annual Conflict of Interest Disclosure Statements identifying a conflict or potential conflict will be reviewed by the Vice President of Audit & Compliance and any other officers or senior management determined to be appropriate, and submitted to the Audit & Compliance Committee of the Board of Trustees for review

Identifier	Return Reference	Explanation
Form 990 Part VI Section B Line 15b	Policies - Determining Compensation	Devereux reviews officers' and Executive Directors' salaries against the market on a recurring basis, normally every two years in connection with the July meeting of the Executive Committee of the Devereux Board of Trustees, which serves as the Board's Compensation Committee However, reviews may occur at other times to respond to changes in the market During this benchmarking process, the National Human Resources Director conducts a review of salaries for benchmark positions for which there is sufficient market survey data The results of this review are compared against all Executive Directors' and officers' salaries The review is intended to make Devereux compensation both reasonable and competitive The market value for a position is defined as the median salary (50th percentile) in the market The National Human Resources Director will make recommendations for adjustments, if necessary Devereux's market for this salary review is primarily with the health care industry for organizations of our size (budget, number of employees, revenue) and structure (system vs single entities) However, general industry data as provided by the U S Department of Labor or other sources as well as residential and educational surveys that become available or that Devereux may conduct may also be factored into the review Form 990 of other organizations may also be reviewed for this purpose Normally, the results of the review conducted will be validated by an outside compensation consultant The President & CEO submits the findings of the survey and recommendations to the Board's Compensation Committee for final review and approval

Identifier	Return Reference	Explanation
Form 990 Part VI Section C Line 19	Disclosure	The Devereux Foundation's Form 990 is available to the public through posting on Guidestar (www guidestar org) It is also available upon request The Audited Financial Statements are available upon request The Devereux Foundation does not make its governing documents or conflict of interest policy available to the general public

Identifier	Return Reference	Explanation
Form 990 Part X Liabilities Line 20	Balance Sheet Tax-Exempt Bond Liabilities	In addition to the Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2006 as detailed in Schedule K (for which $26,608,000 was outstanding at June 30, 3011), the Devereux Foundation also has the following tax-exempt bonds outstanding as of June 30, 2011 Long-Term Debt Dormitory Authority of the State of New York Revenue Bonds, Series 1995 Beginning Book Value 6,656,000 Ending Book Value 5,687,000 Maturity Date 12/01/2015 Repayment Terms Annual Principal, Semi-Annual Interest Interest Rate 5 00% Security Provided Reserve Fund/MBIA Insurance Pol/Coll Property Chester County Health and Education Facilities Authority Revenue Bonds, Series 1997 Beginning Book Value 7,442,000 Ending Book Value 7,171,000 Maturity Date 05/01/2027 Repayment Terms Annual Principal, Semi-Annual Interest Interest Rate 5 4% to 5 5% Security Provided Reserve Fund/MBIA Insurance Pol/Coll Property New Jersey Economic Development Authority Revenue Bonds, Series 1997 Beginning Book Value 1,857,000 Ending Book Value 1,789,000 Maturity Date 05/01/2027 Repayment Terms Annual Principal, Semi-Annual Interest Interest Rate 5 4% to 5 5% Security Provided Reserve Fund/MBIA Insurance Pol/Coll Property Colorado Health Facilities Authority Revenue Bonds Series 2002 Beginning Book Value 10,173,000 Ending Book Value 9,500,000 Maturity Date 08/08/2027 Repayment Terms Annual Principal, Semi-Annual Interest Interest Rate 3 88% to 5 00% Security Provided Reserve Fund/Radian Insurance Pol/Coll Property Chester County Health and Education Facilities Authority Revenue Bonds, Series 2002 Beginning Book Value 10,735,000 Ending Book Value 10,339,000 Maturity Date 08/08/2027 Repayment Terms Annual Principal, Semi-Annual Interest Interest Rate 3 88% to 5 00% Security Provided Reserve Fund/Radian Insurance Pol/Coll Property

Identifier	Return Reference	Explanation
Form 990 Part VII A	Compensation of Officers, Directors, Trustees, Key Employees, etc	Marilyn Benoit, M D , served as a member of the Board of Trustees until January 2011, at w hich time she resigned from the Board and accepted the position of Chief Clinical Officer of Devereux

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Francis Genuardi TITLE Chairman HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Thomas Hays TITLE Vice Chairman HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Samuel G Coppersmith TITLE Vice Chairman HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Marilyn Benoit TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Dr Tami Benton TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Christopher D Butler TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Robert D Ellis TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Elva Ferrari TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Robert Gottlieb TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME John R Gunn TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Peter R Haje TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Dr Howard Hassman TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Alba E Martınez TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME James H Schwab TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME K Lisa Yang TITLE Trustee HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Robert Q Kreider TITLE President and CEO HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Elizabeth Chadwick TITLE Sr VP of External Affairs HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Sarah E Lenahan TITLE VP of Ops and Org Development HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Timothy Dillon TITLE VP of HR HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Martha Lindsay TITLE VP Product Development HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Lawrence W Williams TITLE VP Compliance and Admin HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Leah Yaw TITLE VP of Development HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Roberta M Lewis TITLE Assistant Secretary HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Steven Murphy TITLE Executive Director HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Carol Oliver TITLE Executive Director HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME John OKeefe TITLE Executive Director HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Tilden Reeder TITLE Psychiatrist HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Jacqueline Zavodnick TITLE Medical Director HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Robert Handler TITLE Psychiatrist HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Emilio Roig TITLE Medical Director HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Joel Edelstein TITLE Associate Medical Director HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Steven H Mansh (retired) TITLE Treasurer HOURS

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Lorrie Henderson(resigned) TITLE Sr VP and CCO HOURS

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" 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
Devereux Foundation

Employer identification number
23-1390618

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
(1) Devereux Cleo Wallace 8405 Church Ranch Blvd Westminster, CO 80021 84-0406820	Mental Hlth	CO		3	Dev Foundatn		
(2) Devereux Cleo Wallace Foundation c/o Dev Found 2012 Renaissance Blvd King of Prussia, PA 19406 74-2277635	Investments	CO		11-I	Cleo Wallace		
(3) Helena Devereux Foundation 444 Devereux Drive Villanova, PA 19085 30-0034707	Investments	PA		11-I	Dev Found		
(4) Devereux Professional Group c o Devereux TX 1150 Devereux Dr League City, TX 77573 74-0406760	Inactive	TX		11-I	Dev Found		
(5) Devereux Kids Inc 5850 TG Lee Blvd Ste 400 Orlando, FL 32822 59-3593023	Inactive	FL		7	Dev Found		

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) Devereux Properties Inc PO Box 638 Villanova, PA19085 23-1682903	Inactive	PA	Devereux Found	C Corp			

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Helena Devereux Foundation	r	2,905,759	
(2) Devereux Cleo Wallace Foundation	k	425,410	
(3) Helena Devereux Foundation	k	116,000	
(4) Helena Devereux Foundation	e	3,720,000	
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule R	Part V 2	The Helena Devereux Foundation (HDF) is a recognized 509(a)(3) supporting organization of Devereux, formed to manage and invest endowment funds to support Devereux's activities The Board of Trustees of Devereux is also the Board of HDF The following officers of Devereux are officers of HDF in the capacities given Robert Q Kreider, President Robert C Dunne, Sr Vice President & CFO/Controller Stanley J Kopala, Treasurer Dolores McLaughlin, Esq , Sr Vice President, General Counsel & Secretary Lawrence Williams, Vice President for Audit and Compliance HDF does not maintain separate facilities and operates at one of Devereux's two Corporate sites, at 444 Devereux Drive, Villanova, PA 19085 HDF does not reimburse Devereux for the use of facilities or shared staff During FY11, Devereux transferred $71,000 to HDF for investment Devereux has adopted a Spending Rule policy under which approximately 5% of the endowment held by Helena Devereux Foundation is spent to support operations Under this policy, HDF transferred $1,205,759 to Devereux during the year
Part V 2	Transactions with Related Organizations	Devereux's New York based center borrowed $3,720,000 from Helena Devereux Foundation to finance the expansion of its campus

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Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No 1545-0184

2010

Attachment Sequence No **27**

Name(s) shown on return
Devereux Foundation

Identifying number
23-1390618

1 Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . | **1** |

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

2 (a) Description of property	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						

3	Gain, if any, from Form 4684, line 42	**3**	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	**4**	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	**5**	
6	Gain, if any, from line 32, from other than casualty or theft	**6**	
7	Combine lines 2 through 6 Enter the gain or (loss) here and on the appropriate line as follows	**7**	
	Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9 Skip lines 8, 9, 11, and 12 below		
	Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9 If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below		
8	Nonrecaptured net section 1231 losses from prior years (see instructions)	**8**	
9	Subtract line 8 from line 7 If zero or less, enter -0- If line 9 is zero, enter the gain from line 7 on line 12 below If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	**9**	

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less)

See Additional Data Table						

11	Loss, if any, from line 7	**11**	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	**12**	
13	Gain, if any, from line 31	**13**	
14	Net gain or (loss) from Form 4684, lines 34 and 41a	**14**	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	**15**	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	**16**	
17	Combine lines 10 through 16	**17**	262,130
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below For individual returns, complete lines a and b below		
a	If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23 Identify as from "Form 4797, line 18a " See instructions.	**18a**	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a Enter here and on Form 1040, line 14	**18b**	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255 (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property	(b) Date acquired(mo , day, yr)	(c) Date sold (mo , day, yr)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D ▶		Property A	Property B	Property C	Property D
20 Gross sales price (**Note:** *See line 1 before completing*) . .	20				
21 Cost or other basis plus expense of sale . . .	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis Subtract line 22 from line 21 . .	23				
24 Total gain Subtract line 23 from line 20 . . .	24				
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22	25a				
b Enter the **smaller** of line 24 or 25a	25b				
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291					
a Additional depreciation after 1975 (see instructions) . . .	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a (see instructions)	26b				
c Subtract line 26a from line 24 If residential rental property **or** line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976 . . .	26d				
e Enter the **smaller** of line 26c or 26d	26e				
f Sections 291 amount (corporations only) . . .	26f				
g Add lines 26b, 26e, and 26f	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership)					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage (see instructions) .	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126 (see instructions) . .	29a				
b Enter the **smaller** of line 24 or 29a (see instructions) . .	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b Enter here and on line 13 . .	31	
32	Subtract line 31 from line 30 Enter the portion from casualty or theft on Form 4684, line 36 Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (see instructions)

			(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years . . .	33		
34	Recomputed depreciation (see instructions)	34		
35	Recapture amount Subtract line 34 from line 33 See the instructions for where to report . . .	35		

Additional Data

Software ID:
Software Version:
EIN: 23-1390618
Name: Devereux Foundation

Form 4797, Part II, Line 10 - Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) for entire year. Subtract (f) from the sum of (d) and (e)
90 DODGE B350 VAN	08-01-1990	04-30-2011	150	16,306	16,606	150
92 DODGE VAN	02-01-1993	04-30-2011	150	16,641	16,641	
GMC VAN	04-01-1995	03-31-2011	1,800	15,528	16,028	
2 DRAWR LAT OAK FILE	08-19-1995	07-22-2010		358	360	2
DODGE RAM VAN	07-11-1996	08-31-2011		22,010	22,510	500
LADDER END BUNK BED	09-12-1997	06-28-2011		343	374	31
98 FORD WINDSTAR WAG	06-12-1998	02-28-2011	600	21,155	21,155	
LIVING ROOM SET	01-11-1999	03-31-2011		3,485	4,010	525
98 FORD ESCORT	07-31-1999	01-31-2011	250	8,995	8,995	
99 FORD CLUB WAGON	06-19-2006	02-24-2011		5,550	5,750	200
RANGE	03-20-2007	06-28-2011		325	764	439
TABLE & CHAIRS	03-20-2007	06-28-2011		1,228	1,445	217
LASERJET PRINTER	04-20-2007	06-28-2011		3,933	4,720	787
PLASMA TV	09-27-2007	06-28-2011		1,170	1,560	390
PLASMA TV	09-27-2007	06-28-2011		1,170	1,560	390
CCTV SYSTEM	08-20-2007	06-28-2011		11,567	15,088	3,521
HBA CARDS FOR SERVER	11-29-2010	01-31-2011			1,724	1,724
COMPUTER EQUIPMENT	11-29-2010	01-31-2011			8,694	8,694
02 FORD EXPLORER	11-26-2001	08-30-2010	2,000	21,444	21,444	
12T AC UNIT	06-15-2005	11-24-2010		8,496	15,685	7,189
CARPET TILE	11-30-2005	08-26-2010		10,052	10,581	529
CERAMIC TILE	11-21-2005	11-24-2010		4,800	9,600	4,800
CARPET	03-31-2006	08-26-2010		1,976	2,237	261
CARPET	01-31-2007	08-26-2010		8,550	11,930	3,380
CORRAL BALL POOL	01-31-2007	12-29-2010		384	490	106
CHERRY DESKS	02-28-2007	12-29-2010		421	549	128
APPL FEE SITE PLAN	03-30-2007	06-21-2011		3,639	4,282	643
07 DODGE CARAVAN	07-20-2007	08-26-2010	200	14,914	19,748	4,634
PATTERN PLAY GROUP	06-22-2007	12-29-2010		1,046	1,495	449
GARAGE DOOR & OPENER	09-24-2007	06-21-2011		538	1,434	896
PHONE & DATA CABLES	10-19-2007	06-21-2011		2,093	2,854	761
FIRE DETECT EQUIPMEN	04-24-2008	06-21-2011		8,331	39,462	31,131
RENOVATIONS	05-30-2008	06-21-2011		3,082	9,996	6,914
OPTIPLEX 755	06-17-2008	08-30-2010		681	942	261
RENOVATIONS	07-29-2008	06-21-2011		499	1,710	1,211
ELECTRCL RENOVATIONS	08-21-2008	06-21-2011		918	3,240	2,322
LIGHTING RENOVATIONS	08-21-2008	06-21-2011		193	680	487
SINKS	08-21-2008	06-21-2011		411	1,450	1,039
WINDOW PROJECT	03-31-2011	04-30-2011		62	7,400	7,338
02 CHEVY ASTRO VAN	05-20-2002	10-31-2010	500	21,616	21,916	

Form 4797, Part II, Line 10 - Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) for entire year. Subtract (f) from the sum of (d) and (e)
02 CHEVY ASTRO VAN	09-16-2002	02-28-2011	2,500	22,838	22,838	
04 CHEVY ASTRO VAN	04-12-2004	02-28-2011	1,000	20,203	20,603	
MISC SUPPLIES	12-14-2005	11-24-2010		195	199	4
STACKING CHAIRS	06-27-2006	12-21-2010		900	1,000	100
03 FORD E350	01-31-2006	12-21-2010		8,244	8,544	300
WINDOW TREATMENT	08-18-2006	12-21-2010		3,504	4,043	539
STACKING CHAIRS	11-22-2006	12-21-2010		816	1,000	184
05 CHEVY EXPRESS	07-28-2008	12-21-2010		2,767	2,967	200
GROUP HOME	12-28-2010	02-28-2011			250	250
GROUP HOME	12-28-2010	02-28-2011			125	125
02 CHEVY EXPRESS VAN	08-15-2002	03-31-2011	550	22,183	22,483	
03 DODGE CARAVAN	02-28-2003	02-24-2011	450	18,560	18,560	
03 DODGE GR CARAVAN	01-24-2006	04-30-2011	205	12,304	12,704	195
O3 DODGE CARAVAN	09-29-2006	02-24-2011	450	14,458	14,758	
87 CHEVY CARGO VAN	01-06-2004	04-30-2011		500	1,000	500
CONDEMNATION GA CAMP		06-24-2010	19,620			
NJ CODING ERROR			400			
CA DEFER LAND GAIN			402,629			
MILL BARN LAND SALE			-40,000			40,000
FL CLOSED PROGRAM			-34,523			34,523

CONSOLIDATED FINANCIAL STATEMENTS

The Devereux Foundation and Controlled Entities
Years Ended June 30, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

The Devereux Foundation and Controlled Entities

Consolidated Financial Statements

Years Ended June 30, 2011 and 2010

Contents

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Report of Independent Auditors

The Board of Trustees
The Devereux Foundation and Controlled Entities

We have audited the accompanying consolidated balance sheets of The Devereux Foundation and Controlled Entities (Devereux) as of June 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended These financial statements are the responsibility of Devereux's management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement We were not engaged to perform an audit of Devereux's internal control over financial reporting Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Devereux's internal control over financial reporting Accordingly, we express no such opinion An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Devereux Foundation and Controlled Entities at June 30, 2011 and 2010, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States

Ernst + Young LLP

September 28, 2011

The Devereux Foundation and Controlled Entities

Consolidated Balance Sheets
(In Thousands)

	June 30 2011	2010
Assets		
Current assets		
Cash and cash equivalents, including client funds on deposit of $1,869 in 2011 and $1,802 in 2010	**$ 5,302**	$ 6,627
Accounts receivable, net of allowance for uncollectibles of $6,490 in 2011 and $6,524 in 2010	**44,519**	41,677
Current portion of assets limited as to use	**5,617**	6,115
Prepaid expenses and other current assets	**3,493**	3,153
Total current assets	**58,931**	57,572
Assets limited as to use		
By board for designated purposes	**103,707**	104,175
By trustees under bond indenture agreements	**7,359**	9,447
By board for donor purposes	**14,742**	14,791
By insurance agreement	**4,554**	4,880
	130,362	133,293
Property and equipment, net	**110,708**	105,506
Other assets		
Other assets	**461**	453
Deferred reimbursement	**1,293**	2,137
Deferred financing costs, net	**2,046**	2,486
Pledges receivable and deferred gifts	**8,907**	8,801
Total other assets	**12,707**	13,877
	$ 312,708	$ 310,248

	June 30	
	2011	**2010**
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	**$ 3,614**	$ 4,555
Accounts payable and accrued expenses	**8,529**	8,103
Employee compensation and related benefits	**22,114**	19,303
Estimated settlements due to third-party payors	**7,958**	6,841
Reserves under insurance programs and other current liabilities	**14,309**	14,926
Client funds on deposit	**1,869**	1,802
Total current liabilities	**58,393**	55,530
Estimated settlements due to third-party payors	**1,912**	2,082
Reserves under insurance programs and other liabilities	**15,123**	15,326
Deferred revenue	**9,025**	9,113
Obligation to provide future services and use of facilities to continuing care clients	**11,450**	13,198
Long-term debt	**62,445**	78,569
Total liabilities	**158,348**	173,818
Net assets		
Unrestricted	**130,489**	112,671
Temporarily restricted	**16,610**	17,215
Permanently restricted	**7,261**	6,544
Total net assets	**154,360**	136,430
	$ 312,708	$ 310,248

See accompanying notes.

The Devereux Foundation and Controlled Entities

Consolidated Statements of Operations and Changes in Net Assets
(In Thousands)

	Year Ended June 30	
	2011	**2010**
Unrestricted net assets		
Revenue		
Net client revenue	**$ 367,502**	$ 362,628
Investment income	**8,481**	4,071
Gifts and bequests (including net assets released from restrictions due to time of $865 in 2011 and $1,106 in 2010)	**5,396**	9,833
Other revenue	**11,451**	11,864
Net assets released from restrictions for operations	**2,358**	997
	395,188	389,393
Expenses		
Salaries and wages	**222,674**	214,155
Employee benefits	**62,532**	64,793
Food	**6,927**	6,937
Purchased services	**33,732**	35,881
Supplies	**8,764**	8,381
Plant operation and maintenance	**26,041**	25,691
Provision for bad debts	**1,837**	1,912
Depreciation and amortization	**11,100**	11,903
Interest	**4,383**	4,850
Insurance	**4,785**	3,245
Other	**11,292**	10,868
	394,067	388,616
Operating income before other items	**1,121**	777
Other items		
Loss on early extinguishment of debt	**(502)**	–
Decrease (increase) in obligation to provide future services and the use of facilities to continuing care clients	**1,748**	(1,814)
Net gain on disposition of property	**258**	157
Other income gain (loss)	**1,504**	(1,657)
Excess (deficiency) of revenue over expenses	**2,625**	(880)

(Continued on following page.)

The Devereux Foundation and Controlled Entities

Consolidated Statements of Operations and Changes in Net Assets (continued)
(In Thousands)

	Year Ended June 30 2011	2010
Unrestricted net assets (continued)		
Excess (deficiency) of revenue over expenses *(from previous page)*	**$ 2,625**	$ (880)
Other changes in unrestricted net assets		
Unrealized gains on investments	**14,494**	7,421
Net assets released from restrictions for property and equipment purchases	**1,223**	920
Other	**(524)**	–
Increase in unrestricted net assets	**17,818**	7,461
Temporarily restricted net assets		
Gifts, grants, and bequests, net	**3,841**	5,043
Net assets released from restrictions for operations	**(3,223)**	(2,103)
Net assets released from restrictions to finance property and equipment purchases	**(1,223)**	(920)
(Decrease) increase in temporarily restricted net assets	**(605)**	2,020
Permanently restricted net assets		
Gifts, grants, and bequests	**41**	19
Net realized and unrealized gains on investments	**981**	582
Other	**(305)**	(230)
Increase in permanently restricted net assets	**717**	371
Increase in net assets	**17,930**	9,852
Net assets, beginning of year	**136,430**	126,578
Net assets, end of year	**$ 154,360**	$ 136,430

See accompanying notes.

The Devereux Foundation and Controlled Entities

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended June 30 2011	2010
Operating activities		
Increase in net assets	**$ 17,930**	$ 9,852
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Net gain on disposition of property	**(258)**	(157)
Loss on early extinguishment of debt	**502**	–
Depreciation and amortization	**11,100**	11,903
Provision for bad debts	**1,837**	1,912
Deferred reimbursement	**844**	709
Net realized, unrealized gains in fair value of investments	**(20,130)**	(9,840)
(Decrease) increase in obligation to provide future services	**(1,748)**	1,814
Restricted contributions, net	**(3,882)**	(4,832)
Changes in operating assets and liabilities		
Accounts receivable	**(4,679)**	(3,395)
Prepaid expenses and other current assets	**(340)**	435
Pledges receivable	**865**	1,106
Accounts payable and accrued expenses	**426**	412
Employee compensation and related benefits	**2,811**	(1,572)
Deferred revenue	**(88)**	(1,186)
Estimated settlements due to third-party payors, net	**947**	397
Reserves under insurance programs and other current liabilities	**(839)**	(3,140)
Net cash provided by operating activities	**5,298**	4,418
Investing activities		
Purchases of property and equipment, net	**(15,906)**	(6,633)
Other assets	**(8)**	222
Decrease (increase) in investments	**23,563**	(476)
Net cash provided by (used in) investing activities	**7,649**	(6,887)
Financing activities		
Proceeds from long-term debt	**–**	1,165
Repayments of long-term debt	**(17,183)**	(4,321)
Restricted contributions, net	**2,911**	2,712
Net cash used in financing activities	**(14,272)**	(444)
Decrease in cash and cash equivalents	**(1,325)**	(2,913)
Cash and cash equivalents at beginning of year	**6,627**	9,540
Cash and cash equivalents at end of year	**$ 5,302**	$ 6,627

See accompanying notes

The Devereux Foundation and Controlled Entities

Notes to Consolidated Financial Statements
(In Thousands)

June 30, 2011

1. Organization and Basis of Presentation

The Devereux Foundation and Controlled Entities (Devereux) is a not-for-profit corporation, dually designated by the Internal Revenue Service as an educational facility and health care organization, with a nationwide network of treatment centers for children, adolescents, and adults with complex emotional, behavioral, and developmental disabilities Treatment settings range along a continuum from acute psychiatric inpatient and campus-based residential settings to outpatient, foster care, in-home, educational, vocational and prevention programs

Devereux functions as the sole corporate member for the following entities, which are included in the consolidated financial statements

Helena Devereux Foundation (HD Foundation) is a Pennsylvania not-for-profit corporation, which holds certain assets to benefit Devereux's programs

Devereux Cleo Wallace (DCW) is a Colorado not-for-profit corporation that operates a psychiatric residential treatment facility and provides other mental health services in the Denver area DCW is the sole corporate member of Devereux Cleo Wallace Foundation (DCW Foundation), a Colorado not-for-profit corporation that was established for the benefit of DCW

All significant intercompany balances and transactions have been eliminated in the consolidated financial statements

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes Actual results could differ from those estimates

Cash and Cash Equivalents

Cash and cash equivalents, for which carrying value approximates fair value, include money market funds and certain investments with original maturities of three months or less

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

Financial instruments consist of cash equivalents, accounts receivable, assets limited as to use and investments, accounts payable and accrued expenses and long-term debt The carrying amounts reported in the consolidated balance sheets for cash equivalents, accounts receivable, assets limited as to use and investments and accounts payable and accrued expenses approximate fair value Management's estimates of the fair value of other financial instruments are described elsewhere in the notes to the consolidated financial statements

Allowance for Uncollectibles

Devereux provides an allowance for uncollectible accounts for estimated losses resulting from the unwillingness or inability of clients to make payments for services The allowance is determined by analyzing specific accounts and historical data and trends Accounts receivable are charged off against the allowance for uncollectible accounts when management determines that recovery is unlikely and Devereux ceases collection efforts Losses have been consistent with management's expectations

Assets Limited as to Use, Investments, and Investment Income

Assets limited as to use include assets set aside by the Board of Trustees (the Board), assets held by trustees under bond indenture agreements, for insurance agreements and by the Board for donor purposes Amounts set aside by the Board are designated for the operation of certain facilities, scholarships, continuing care, and other contingencies The Board retains control over designated assets and may, at its discretion, subsequently use the assets for other purposes Assets limited as to use that are required for current obligations are reported as current assets

Investments in debt and equity securities are measured at fair value based on quoted market prices Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in unrestricted investment income, or as restricted investment income, if such income is restricted by the donor or legislation Devereux periodically reviews its investments for other-than-temporary declines in the market value of investments When an other-than-temporary decline is identified, the investment's cost is written down to current market value and the loss is recorded as a component of the excess (deficiency) of revenue over expenses

2. Summary of Significant Accounting Policies (continued)

Unrealized gains and losses on investments, to the extent that such losses are considered temporary, are reported as a component of changes in unrestricted or restricted net assets Realized gains and losses on investments sold are computed using the weighted-average cost method

Property and Equipment

Property and equipment is recorded at cost or, if donated, at fair market value at the date of receipt Depreciation is provided on a straight-line basis over the expected useful lives of the assets Gifts of long-lived assets such as land, buildings, or equipment are reported as other changes in net assets Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of acquiring those assets

Deferred Financing Costs

Deferred financing costs consist of bond financing costs which relate to the long-term debt and are amortized using the interest method over the term of the related debt

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets represent those assets whose use has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by Devereux in perpetuity, with income generally available to support health care and education services

Permanently restricted net assets are invested on a pooled basis with Devereux's Board-Designated investments In accordance with Commonwealth of Pennsylvania Act 141, organizations are annually permitted to spend between 2% and 7% of permanently restricted net assets For both 2011 and 2010, Devereux elected to spend at a rate of 5 0% Additionally, in accordance with the Pennsylvania law, Devereux classifies as permanently restricted net assets (a) the value of gifts donated to the permanent endowment and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument This is regarded as the "historic dollar value" of the endowed fund Any remaining unspent earnings or net appreciation of the donor-restricted endowment funds is not classified in

2. Summary of Significant Accounting Policies (continued)

permanently restricted net assets and is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Devereux in a manner consistent with Devereux's spending policy

Excess (Deficiency) of Revenue Over Expenses

Included in the excess (deficiency) of revenue over expenses in the accompanying consolidated statements of operations and changes in net assets are all changes in unrestricted net assets, except for unrealized gains and losses on investments to the extent that such losses are considered temporary, and net assets released from restrictions for property and equipment additions and other changes

Income Taxes

The Internal Revenue Service determined that Devereux, HD Foundation, DCW, and DCW Foundation qualify under certain provisions of the Internal Revenue Code and are exempt from federal income taxes Accordingly, no provision for federal or state income taxes is included in the consolidated financial statements

Charity Care

In advancement of its charitable mission, Devereux accepts clients with limited or no ability to pay for services A client is classified as a charity client by reference to certain established policies Essentially, these policies define charity services as those for which no payment is anticipated In assessing a client's ability to pay, Devereux uses generally recognized poverty income levels, but also includes cases where incurred charges are significant relative to income Under certain governmental reimbursement programs, Devereux has been paid an amount less than actual costs due to agency budgeting constraints or other factors The economic loss attributable to such programs has also been defined as charity care Charity care amounts are not included in net client revenue or accounts receivable The amount of charges forgone, based on established rates, for services provided to clients that qualify for charity care and the economic shortfall attributable to unreimbursed costs of certain programs aggregated $16,094 and $16,625 in 2011 and 2010, respectively

2. Summary of Significant Accounting Policies (continued)

Devereux also provides a variety of services and benefits within the communities in which it operates, for which no compensation is received The cost of these services has not been quantified and, therefore, is not included in the charity care amounts referred to above

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the timing or nature in which donated assets can be used When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations and changes in net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as gifts and bequests in the accompanying consolidated financial statements

Functional Expenses

Devereux and its members' primary mission is to provide health care and education services to its clients The majority of all operating expenses incurred were related to the provision of health care and education services

Recent Accounting Pronouncements

In August 2010, Financial Accounting Standards Board (FASB) issued the amendments in Accounting Standards Update (ASU) 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, with the following provisions (1) requires that health care entities present estimated liabilities for expected losses and the anticipated insurance recoveries for those claims separately on the balance sheet, and (2) requires that the amount of the claim liability be determined without consideration of insurance recoveries This guidance is effective for fiscal years beginning after December 15, 2010 A cumulative-effect adjustment will be recognized in opening retained earnings in the period of adoption if a difference exists between any liabilities and insurance receivables recorded as a result of applying these amendments Devereux is evaluating the impact of these required provisions on its consolidated financial statements

2. Summary of Significant Accounting Policies (continued)

In August 2010, the FASB issued ASU 2010-23 requiring (1) Disclosure of Charity Care provided measured on the cost to provide the care, and (2) Separate disclosure of reimbursement received for Charity Care This guidance is effective for years beginning after December 15, 2010 with retrospective application required Devereux is evaluating the impact of the required provisions on its consolidated financial statements

In accordance with ASC 855, we have evaluated subsequent events through the date the financial statements were issued on September 28, 2011

3. Net Client Revenue

Accounts receivable and net client revenue are reported on the accrual basis in the period in which services are rendered at established rates, net of contractual adjustments, discounts and charity care Devereux recognizes bad debt expense and the allowance for uncollectible accounts based on its historical experience and individual account analysis

The majority of services are rendered to clients through reimbursement programs administered by state and local governmental agencies A majority of those services are funded directly or indirectly by Pennsylvania, New Jersey, Florida, and California No single government agency accounted for more than 10% of revenue in 2011 and 2010 Under these programs, reimbursed amounts are based upon fee-for-service rates, a combination of historical costs and prospectively determined rates, or reasonable costs, as defined In total, these programs accounted for 94% and 93% of total net client revenue in both fiscal years 2011 and 2010, respectively Remaining services are rendered through payment arrangements with managed care organizations, commercial insurance carriers, or private accounts

Certain governmental agencies pay an interim rate or a fixed periodic amount during the period Devereux provides services and retroactively adjusts the reimbursement based upon actual costs incurred for the year or contract period Third-party settlements with governmental agencies are accrued on an estimated basis in the period the related services are rendered Estimated settlements due to third-party payors are classified as current or noncurrent based on the anticipated timing of settlements Differences between the estimated settlement and the finalized amounts are recorded in the year of settlement During 2011 and 2010, prior-year settlement adjustments increased net client revenue by $829 and $922, respectively In the opinion of management, adequate provision has been made for any additional adjustments, which may result from final settlement of outstanding cost reports

(In Thousands)

3. Net Client Revenue (continued)

Deferred reimbursement results from timing differences of capital cost reimbursements in connection with the 1995 New York Bond issuance (see Note 8) Devereux recognizes depreciation expense on the New York facility on the straight-line method over its estimated useful life, while depreciation expense reimbursement from governmental agencies is based upon principal amortization of the bonds over their 25-year life

Devereux is subject to numerous laws and regulations of federal, state, and local governments Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time Government activity in the health care industry continues to increase with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues of client services Devereux has implemented a corporate compliance program and conducts periodic audits of services provided to ensure compliance with established regulations When potential overpayments are identified, payors are notified and refunds issued

4. Investments

Investments are stated at fair value as follows

	June 30	
	2011	**2010**
Assets limited as to use		
Cash and cash equivalents	**$ 14,812**	$ 21,059
Equity mutual funds	**53,161**	53,424
Commodity funds	**6,600**	–
Real estate investment trust (REIT) funds	**5,052**	4,719
Fixed income mutual funds	**17,971**	22,787
Multi-asset fund	**22,478**	19,816
U S government and agency bonds	**15,905**	17,603
Total	**$ 135,979**	$ 139,408

(In Thousands)

4. Investments (continued)

Investment income and realized and unrealized gains and losses on investments and cash and cash equivalents are comprised of the following

	Year Ended June 30	
	2011	**2010**
Unrestricted net assets		
Amounts included in investment income		
Interest and dividend income	**$ 3,826**	$ 2,234
Net realized gains on sales of investments	**4,655**	1,837
	8,481	4,071
Other changes in unrestricted net assets		
Net change in unrealized gains and losses on investments	**14,494**	7,421
Permanently restricted net assets		
Net realized and unrealized gains on investments	**981**	582
Total investment gain	**$ 23,956**	$ 12,074

5. Fair Value Measurements

In determining fair value, Devereux uses the market approach The market approach utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities Information used to establish fair value estimates fall into three tiers, which prioritize the inputs used in measuring fair value These tiers include Level 1 – defined as observable inputs such as quoted prices in active markets, Level 2 – defined as inputs other than quoted prices in active markets that are either directly or indirectly observable, and Level 3 – defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions

(In Thousands)

5. Fair Value Measurements (continued)

The following tables present the fair value hierarchy for Devereux's financial assets measured at fair value on a recurring basis at June 30, 2011 and 2010

	Total	Level 1	Level 2	Level 3
June 30, 2011				
Cash and cash equivalents	**$ 14,812**	**$ 14,812**	**$ –**	**$ –**
Equity mutual funds	**53,161**	**53,161**	**–**	**–**
Commodity funds	**6,600**	**6,600**	**–**	**–**
Real estate investment trust funds	**5,052**	**5,052**	**–**	**–**
Fixed income mutual funds	**17,971**	**17,971**	**–**	**–**
U S government and agency bonds	**15,905**	**15,905**	**–**	**–**
Multi-asset fund	**22,478**	**–**	**22,478**	**–**
	$ 135,979	**$ 113,501**	**$ 22,478**	**$ –**
June 30, 2010				
Cash and cash equivalents	$ 21,059	$ 21,059	$ –	$ –
Equity mutual funds	53,424	53,424	–	–
Real estate investment trust funds	4,719	4,719	–	–
Fixed income mutual funds	22,787	22,787	–	–
U S government and agency bonds	17,603	17,603	–	–
Multi-asset fund	19,816	–	19,816	–
	$ 139,408	$ 119,592	$ 19,816	$ –

Devereux's Level 1 securities primarily consist of cash, money market funds, equity mutual funds, commodity funds and real estate investment trust funds, fixed income mutual funds, and U S government and agency bonds Devereux determines the estimated fair value for its Level 1 securities using quoted (unadjusted) prices for identical assets or liabilities in active markets

In accordance with ASU 2009-12, the fair value of Devereux's recurring investment in the Multi-Asset Fund was estimated using net asset value per share at June 30, 2011 and 2010 The fair value of these underlying assets as of June 30, 2011 and 2010 was $22,478 and $19,816, respectively, with a daily redemption period without notice The Multi-Asset Fund requires no up-front commitments and is made up of the following diversified investments common stock, convertible bonds, commodity funds and real estate investment trust funds, corporate bonds,

(In Thousands)

5. Fair Value Measurements (continued)

asset-backed securities, mortgage-backed securities, U S Government agency bonds, U S Treasury bonds, acquired funds, preferred stocks and other short-term investments Given Devereux's prompt ability to liquidate this investment at its net asset value, it was classified as a Level 2 investment

6. Property and Equipment

	Estimated Useful Lives	June 30 2011	2010
Land		**$ 6,135**	$ 5,788
Land improvements	8-25 years	**24,661**	22,721
Buildings and improvements	5-40 years	**189,204**	185,641
Equipment	3-20 years	**54,908**	52,690
Construction in progress		**12,253**	5,631
		287,161	272,471
Less accumulated depreciation and amortization		**176,453**	166,965
		$ 110,708	$ 105,506

In 2007, Devereux sold the property on which its Santa Barbara, California campus is located and leased back the campus itself At the time of the sale, $3,960 of the $18,309 gain on sale was deferred and is being recognized over the 10-year initial lease period

(In Thousands)

7. Pledges Receivable and Deferred Gifts

The following is a summary of promises to give funds to Devereux

	June 30	
	2011	**2010**
Pledges receivable in		
Less than one year	**$ 844**	$ 982
One to five years	**1,220**	2,424
Subtotal	**2,064**	3,406
Less allowance for uncollectible accounts	**(101)**	(279)
Less discount to present value	**(82)**	(108)
Pledges receivable, net	**1,881**	3,019
Beneficial interest in trusts held by third parties	**7,026**	5,782
Total	**$ 8,907**	$ 8,801

The present value of the future cash flows over pledges receivable was determined using discount rates approximating 2 0% to 5 0 % and 2 0% for 2011 and 2010, respectively

Devereux periodically receives indications of an intention to give from individuals through the settlement of the individuals' estates The anticipated value of these intended gifts has not been established, nor has it been recognized as an asset in the consolidated balance sheets

The beneficial interests in trusts are unconditionally designated for the benefit of Devereux upon the occurrence of some future event During 2011 and 2010, Devereux received no new gifts in beneficial interest in trusts and no cash was received from trusts for which the particular restrictive future event has occurred The interest is recorded at fair value as represented by the third-party trustee

(In Thousands)

8. Long-Term Debt

	June 30 2011	2010
$29,240 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2006 (the 2006 Pennsylvania Bonds), net of unamortized premium of $498 in 2011 and $542 in 2010	**$ 26,608**	$ 27,387
$13,215 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2002 (the 2002 Pennsylvania Bonds), net of unamortized original issue discount of $85 in 2011 and $95 in 2010	**10,339**	10,735
$14,285 tax-exempt Colorado Health Facilities Authority Revenue Bonds Series of 2002 (the 2002 Colorado Bonds), net of unamortized original issue discount of $40 in 2011 and $47 in 2010	**9,500**	10,173
$17,500 tax-exempt Galveston County, Texas, Health Facilities Development Corporation Revenue Bonds, Series of 1995 (the Texas Bonds), net of unamortized original issue discount of $0 in 2011 and $107 in 2010	–	9,673
$10,000 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 1997 (the 1997 Pennsylvania Bonds), net of unamortized original issue discount of $79 in 2011 and $88 in 2010	**7,171**	7,442
$16,300 tax-exempt Dormitory Authority of the State of New York Revenue Bonds, Series 1995 (the New York Bonds), net of unamortized original issue discount of $23 in 2011 and $34 in 2010 The bonds are secured by a first mortgage on the Red Hook, New York property and revenues earned by the facility	**5,687**	6,656
5 62% to 7 15% mortgages payable monthly through September 2026, secured by the related properties, equipment, or revenue	**4,965**	5,274

(In Thousands)

8. Long-Term Debt (continued)

	June 30	
	2011	**2010**
$6,970 tax-exempt Brevard County, Florida, Health Facilities Revenue Bonds, Series of 1995 (the Florida Bonds), net of unamortized original issue discount of $0 in 2010 and $38 in 2010	**$ –**	$ 3,927
$2,500 tax-exempt New Jersey Economic Development Authority Revenue Bonds, Series of 1997 (the New Jersey Bonds), net of unamortized original issue discount of $16 in 2011 and $18 in 2010	**1,789**	1,857
Total long-term debt	**66,059**	83,124
Less current portion	**3,614**	4,555
	$ 62,445	$ 78,569

In December 2010, the Series 1995 Galveston County, Texas, Health Facilities Development Corporation Revenue Bonds and Brevard County, Florida, Health Facilities Revenue Bonds were called by Devereux for early redemption using its own investments A loss on early extinguishment of debt of $502, comprised of the write-off of the unamortized issuance cost and original issue discount, was recorded and is included as a component of excess (deficiency) of revenue over expenses The Texas bonds bore interest of 5 2% for the period from July 1, 2009 through December 2010 The Florida bonds bore interest of 5 15%-5 2% for the period from July 1, 2009 through December 2010

The Series 1995 and Series 1997 Bonds are insured by Municipal Bonds Investors Assurance Corporation (MBIA) The Series 2002 Bonds are insured by Radian Asset Assurance Corporation The Series 2006 Bonds are not insured All of the tax-exempt bonds were issued under a Master Trust Indenture (MTI) for which Devereux, HD Foundation, DCW, and DCW Foundation are members of the Obligated Group and were issued to advance refund or refinance previously issued tax-exempt and other debt, and to finance certain capital expenditures, to fund required debt service and reserve funds

(In Thousands)

8. Long-Term Debt (continued)

The Series 1997 Pennsylvania and New Jersey Bonds, the Series 2002 Colorado and Pennsylvania Bonds, and the Series 2006 Pennsylvania Bonds are secured by an interest in Gross Revenues, as defined, as well as mortgages on certain properties Gross Revenues represent all revenue and accounts, excluding those of the Red Hook, New York facility, pledged for the Series 1995 New York Bonds

The original issue discounts and premiums on the Bonds are being amortized using the interest method over the term of the related debt

Agreements related to the Revolving Credit Agreement (see Note 9) and the Series 1995, 1997, 2002, and 2006 Bonds, contain financial covenants requiring Devereux to maintain debt service coverage and liquidity ratios All such covenants were complied with at June 30, 2011

Other information relating to each of the Bonds, all of which have serial and term components, is as follows

	2006 Pennsylvania	2002 Pennsylvania	2002 Colorado	1997 Pennsylvania
Annual principal payment	November 1	November 1	November 1	May 1
Year of final maturity	2031	2027	2027	2027
Range of principal and/or sinking fund payments	$775 to $1,915	$420 to $875	$705 to $905	$295 to $655
Interest payment dates	May 1 and November 1	May 1 and November 1	May 1 and November 1	May 1 and November 1
Range of interest rates	4 0% to 5 25%	4 0% to 5 0%	4 0% to 5 0%	5 4% to 5 5%

	New Jersey	New York
Annual principal payment	May 1	July 1
Year of final maturity	2027	2015
Range of principal and/or sinking fund payments	$75 to $165	$1,035 to $1,255
Interest payment dates	May 1 and November 1	January 1 and July 1
Range of interest rates	5 4% to 5 5%	5 0%

(In Thousands)

8. Long-Term Debt (continued)

Scheduled maturities of all long-term debt for the next five years ending June 30 are as follows

2012	$	3,614
2013		3,772
2014		3,957
2015		4,137
2016		4,349
Thereafter		45,737

Interest paid on all indebtedness amounted to $4,540 in 2011 and $4,898 in 2010

Fair Value

Devereux uses quoted market prices in estimating the fair value for the Revenue Bonds and the outstanding mortgage obligations' carrying value approximates the fair value The fair value of the long-term debt at June 30, 2011 and 2010 is $65,423 and $82,944, respectively, and was determined using the market approach under ASC 820

9. Note Payable

Devereux has a bank Revolving Credit Agreement (Revolver) for $39,300, which is available for working capital and letters of credit The term of the Revolver is through November 30, 2011 The Revolver is secured by a parity lien on Gross Revenues and by mortgages on certain Devereux properties, as defined under the Master Trust Indenture MTI (see Note 8) Under the Revolver, interest on working capital loans is computed at the one-month LIBOR rate plus an applicable margin ranging from 1 45% to 3 35% based upon the current ratings assigned to the Obligated Group's unenhanced long-term debt by Standard and Poor's and compliance with certain financial covenants As of June 30, 2011 and 2010, the applicable margin was 1 6% At June 30, 2011 and 2010, no working capital loans were outstanding At June 30, 2011, letters of credit aggregating $10,780 were outstanding, substantially all of which were used to secure deductibles under insurance policies (see Note 14) Fees on outstanding letters of credit accrue at 1 60% A commitment fee of 25% is paid on unused Revolver amounts

9. Note Payable (continued)

In June 2011, Devereux entered into a financing agreement (the Loan Agreement) with a bank providing advances up to an aggregate amount of $2,500 on a 2-year line of credit The loan agreement will be utilized for the purpose of acquiring and renovating real property at various locations in the State of New Jersey, to be used as group homes for the intellectually and developmentally disabled Loan advances initially bear interest at the Prime rate, and within 90 days are converted to amortizing term loans with a term of either 5, 7 or 10 years at the election of Devereux Principal will be paid in monthly installments based on a 25-year amortization, and bear interest at the following rates for a five (5) or a seven (7) year term the Federal Home Loan Bank (FHLB) rate plus 225 basis points, or for a ten (10) year term the FHLB rate plus 250 basis points The loans will be secured by first mortgage liens on the properties financed A commitment fee of 25% is paid on the unused amount At June 30, there were no outstanding loans

10. Obligation to Provide Future Services and the Use of Facilities to Continuing Care Clients

Devereux is contractually obligated to provide care for life to certain clients The obligation, which recognizes the future costs to be incurred under these continuing care contracts, was computed using the following assumptions for both 2011 and 2010 annual cost of care based on actual operating costs, life expectancy based on 1959-61 U S Life Tables, an inflation factor based of 5 75% of the average annual operating cost, an interest yield of 8 0%, and a reduction for any supplemental payments to be received from the clients The obligation is further reduced to the extent Devereux receives social security (assumed to increase at an annual rate of 3 5%) or other benefits on behalf of the clients

As of June 30, 2011, there were 35 individuals covered by continuing care contracts

Devereux also recognizes the present value of certain arrangements with several continuing care residents, under which Devereux is the beneficiary of the assets of trusts established on behalf of the residents

(In Thousands)

10. Obligation to Provide Future Services and the Use of Facilities to Continuing Care Clients (continued)

The present value of the components of the obligation follows

	June 30 2011	2010
Gross liability	**$ 24,766**	$ 26,310
Social security and other benefits	**(3,721)**	(3,653)
Future trust interests	**(9,595)**	(9,459)
	$ 11,450	$ 13,198

11. Retirement Plan

Devereux has a defined contribution retirement plan which covers substantially all full-time employees, as well as part-time employees working a minimum of 1,000 hours who have completed two years of service, administered by the Teachers Insurance and Annuity Association Contributions to the plan are based on 6% of the employee's compensation (7% through December 31, 2009) plus a match of employee contributions up to 2% of compensation (3% through December 31, 2009) These contributions are credited to individual annuity contracts owned by each participant and are charged to expense when earned Contribution expense was $9,484 in 2011 and $10,016 in 2010

12. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	June 30 2011	2010
Health care and education services	**$ 854**	$ 1,330
Purchase of property and equipment	**4,008**	4,004
Education	**495**	456
Research	**1,842**	2,164
Other	**9,411**	9,261
	$ 16,610	$ 17,215

(In Thousands)

12. Temporarily Restricted Net Assets (continued)

During 2011 and 2010, $3,223 and $2,103, respectively, of temporarily restricted net assets were released from restrictions for operations, of which $865 and $1,106, respectively, related to the collection of previous pledges which are classified as a component of unrestricted gifts and bequests in the consolidated statements of operations and changes in net assets

13. Permanently Restricted Net Assets

Activity in Devereux's permanently restricted net assets is as follows

	June 30	
	2011	**2010**
Endowment balance at beginning of year	**$ 6,544**	$ 6,173
Investment return		
Investment income	**109**	120
Realized/unrealized gains and (losses)	**981**	582
Total investment return	**1,090**	702
Contributions	**41**	19
Appropriation of endowment assets for intended purpose	**(414)**	(350)
Endowment balance at end of year	**$ 7,261**	$ 6,544

(In Thousands)

14. Commitments and Contingencies

Operating Leases

Devereux leases various equipment and facilities under operating leases expiring at various dates through 2018 Total rent expense for the years ended June 30, 2011 and 2010 was $8,519 and $8,458, respectively The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2011, that have initial or remaining lease terms in excess of one year

Year ended June 30	
2012	$ 6,896
2013	5,092
2014	3,227
2015	2,441
2016	1,456
Thereafter	2,974
	$ 22,086

Workers' Compensation

Devereux maintains workers' compensation insurance with a per-claim deductible of $500 Due to this level of retention, Devereux is required to post collateral of $813 of cash which is shown as assets limited as to use by insurance agreement in the consolidated balance sheets and $10,780 in letters of credit as of June 30, 2011 and 2010 (see Note 9) Based upon historical loss experience, management determined that a $13,339 and $12,794 liability for the estimated retention and costs of claims not settled as of June 30, 2011 and 2010, respectively, be recorded as a component of reserves under insurance programs in the consolidated balance sheets

Professional and General Liability

Devereux is insured under a claims-made policy for professional and an occurrence policy for general liability Devereux retained $8,000 for both 2011 and 2010 in aggregate deductibles related to the combination of professional and general coverage Due to this level of retention, Devereux is required to post $4 0 million of collateral, which was met with an insurance trust holding treasury securities valued at $4,653 as of June 30, 2011 Based upon historical loss

14. Commitments and Contingencies (continued)

experience, management determined that a $4,928 and $5,986 liability for the estimated retention and cost of claims and incidents not settled as of June 30, 2011 and 2010, respectively, be recorded as a component of reserves under insurance programs in the consolidated balance sheets Devereux plans to continue to obtain adequate professional and general liability insurance

Litigation

Devereux and DCW are contingently liable in connection with certain claims and contracts arising in the normal course of its activities After consultation with legal counsel, management believes these matters will be resolved without material adverse effect on Devereux's future financial position or results from operations

Devereux is not a party to, nor are any of its properties the subject of, any material pending legal proceedings other than ordinary, routine litigation incidental to the business

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