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Part III

Statement of Program Service Accomplishments

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

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1

Briefly describe the organization’s mission

OUR MISSION IS TO ENHANCE THE LIVES OF CHILDREN THROUGH EXCELLENCE IN PATIENT CARE, RESEARCH AND EDUCATION

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If “Yes,” describe these changes on Schedule O

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 704,930,260 including grants of \$ 36,812,072) (Revenue \$ 967,372,903)

THE CHILDREN'S HEALTHCARE OF ATLANTA FOUNDATION, INC WAS ESTABLISHED IN 2008 AND WORKS TO ENGAGE THE COMMUNITY THROUGH PHILANTHROPY AND VOLUNTEERISM IN SUPPORT OF THE MISSION AND VISION OF CHILDREN'S HEALTHCARE OF ATLANTA THEIR MISSION IS TO ENGAGE THE COMMUNITY THROUGH PHILANTHROPY TO ENGAGE THE COMMUNITY THROUGH PHILANTHROPY AND VOLUNTEERISM IN SUPPORT OF CHILDREN'S HEALTHCARE OF ATLANTA IN 2011, THE FOUNDATION HAD 76 PAID STAFF AND 6,500 VOLUNTEERS CHILDREN'S AT EGLESTON AND CHILDREN'S AT SCOTTISH RITE ASSESS THE HEALTH CARE NEEDS OF THE COMMUNITIES THEY SERVE THROUGH STRATEGIC PLANNING PROCESSES COMPLETED FOR THE CHILDREN'S HEALTHCARE OF ALTANTA SYSTEM AS PART OF A 10-YEAR PLAN LAUNCHED IN 2007, CHILDREN'S IS FOCUSING ON CLINICAL, RESEARCH, TEACHING AND WELLNESS IN ADDITION, IN FEBRUARY 2006, A MANAGEMENT AGREEMENT WAS SIGNED FOR CHILDREN'S AT HUGHES SPALDING, OWNED BY GRADY HEALTH SYSTEM, TO BE OPERATED BY HSOC INC -AN AFFILIATE OF CHILDREN'S THE MISSION OF CHILDREN'S AT HUGHES SPALDING IS TO ENHANCE THE LIVES OF CHILDREN THROUGH EXCELLENCE IN PATIENT CARE, RESEARCH AND EDUCATION CHILDREN'S BROKE GROUND ON A NEW FOUR-STORY FACILITY FOR CHILDREN'S AT HUGHES SPALDING IN AUGUST 2008 THIS NEW FACILITY OPENED IN FALL 2009 AND HOUSES CHILD-FRIENDLY INPATIENT BEDS, AN ENHANCED EMERGENCY DEPARTMENT AND SPECIALTY CLINICS FOR SICKLE CELL DISEASE, ASTHMA, PRIMARY CARE AND CHILD PROTECTION SERVICES IN 2011, THE THREE HOSPITALS OPERATED BY CHILDREN'S HEALTHCARE OF ATLANTA, INC PROVIDED 533 STAFFED BEDS AND MANAGED 777,881 PATIENT VISITS, 326,182 UNIQUE PATIENTS, 24,572 HOSPITAL ADMISSIONS, 136,769 INPATIENT DAYS, 747,103 OUTPATIENT VISITS, 37,785 SURGICAL PROCEDURES (INPATIENT AND OUTPATIENT), 188,637 EMERGENCY DEPARTMENT VISITS, 100,843 IMMEDIATE CARE CENTER VISITS AND 46,551 PRIMARY CARE VISITS CHILDREN'S ALSO MANAGED 142,000 CALLS FROM PARENTS ACROSS GEORGIA TO THE CHILDREN'S NURSE ADVICE LINE MARCUS AUTISM CENTER IS A NOT-FOR-PROFIT ORGANIZATION WITH A MISSION TO PROVIDE INFORMATION, SERVICES AND PROGRAMS TO CHILDREN WITH AUTISM AND RELATED DISORDERS, THEIR FAMILIES AND THOSE WHO LIVE AND WORK WITH THEM WE OFFER INTEGRATED ADVANCED CLINICAL, BEHAVIORAL, EDUCATIONAL AND FAMILY SUPPORT SERVICES THROUGH A SINGLE ORGANIZATION TO REDUCE THE STRESS FOR FAMILIES THAT USE OUR SERVICES MARCUS AUTISM CENTER HAD ITS BEGINNINGS AS THE MARCUS DEVELOPMENTAL RESOURCE CENTER AT EMORY UNIVERSITY IN 1991 SINCE THEN, WITH THE HELP OF COMMUNITY SUPPORT, WE HAVE TREATED MORE THAN 40,000 CHILDREN IN 2011, WE TREATED MORE THAN 5,600 INDIVIDUAL PATIENTS WITH OUR MULTIDISCIPLINARY APPROACH, WHICH INCLUDES MEDICINE WITH PSYCHOLOGY, SPEECH THERAPY AND BEHAVIORAL INTERVENTION THROUGH GENEROUS DONATIONS MARCUS AUTISM CENTER HAS BECOME A NATIONALLY RECOGNIZED CENTER FOR EXCELLENCE FOR THE PROVISION OF COORDINATED AND COMPREHENSIVE SERVICES FOR CHILDREN AND ADOLESCENTS WITH DEVELOPMENTAL DISABILITIES SINCE INCEPTION, MARCUS AUTISM CENTER HAS PROVIDED SERVICES TO MORE THAN 40,000 INDIVIDUALS, CONDUCTED RESEARCH, AND PROVIDED EDUCATION AND TRAINING PROGRAMS CHILDREN WITH CONDITIONS, SUCH AS AUTISM, MENTAL ILLNESS, CEREBRAL PALSY, LEARNING DISABILITIES AND DISRUPTIVE BEHAVIOR PROBLEMS ARE AFFORDED SOME OF THE HIGHEST QUALITY SERVICES AND ONE OF THE LARGEST TEAM OF PROFESSIONALS AND SUPPORT STAFF SOLELY DEDICATED TO CHILD DEVELOPMENT IN GEORGIA TOGETHER WITH FAMILIES, SUPPORT GROUPS, GOVERNMENT AGENCIES AND FOUNDATIONS, WE ARE STRENGTHENING THE COMMUNITY THROUGH ADVOCACY AT THE LOCAL AND STATE LEVEL WE STRIVE FOR FULLER INTEGRATION OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES INTO SCHOOL AND COMMUNITY LIFE, BETTER ACCESS FOR FAMILIES TO APPROPRIATE CLINICAL AND EDUCATIONAL SERVICES, AND ENHANCED FUNDING FOR RESEARCH AND TRAINING THE CENTER'S SERVICES INCLUDE PROVIDING CHILDREN AND THEIR CAREGIVERS SUPPORT, OPPORTUNITY, ENCOURAGEMENT, PRIDE, COMMITMENT AND DETERMINATION THROUGH SEVEN OUTREACH CLINICS AROUND GEORGIA, HOME-BASED TREATMENT, SCHOOL CONSULTATION AND TELEMEDICINE, WE ARE EXPANDING OUR PROGRAMS TO REACH CHILDREN THROUGHOUT THE STATE WHERE SPECIALIZED CARE IS NOT AVAILABLE MARCUS AUTISM CENTER IS WORKING WITH GEORGIA PARTNERSHIP FOR TELEHEALTH TO IMPROVE CARE IN COMMUNITIES THROUGHOUT GEORGIA USING TELEMEDICINE, MARCUS AUTISM CENTER IS INCREASING ACCESS TO CARE, IMPROVING HOW QUICKLY CHILDREN CAN GET CARE AND EDUCATING COMMUNITY DOCTORS OUR DOCTORS PROVIDE SERVICES TO MEET EACH CHILD'S POTENTIAL OUR GOAL IS TO HELP EACH CHILD LEARN THE SKILLS TO LIVE A MORE INDEPENDENT LIFE BY WORKING WITH FAMILIES TO DEVELOP GOALS

4b

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

4c

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

4d

Other program services (Describe in Schedule O)





















(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses \$ 704,930,260

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)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</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? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	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, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>	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 ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	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 ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I.</i> 	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? <i>If "Yes," complete Schedule G, Part II.</i> 	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> 	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements 	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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		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? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance					
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>					
		Yes	No		
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	43		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return. .	2a	8,722		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a			No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities 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			
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	Section 501(c)(7) organizations. Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11	Section 501(c)(12) organizations. Enter				
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			
13	Section 501(c)(29) qualified nonprofit health insurance issuers.				
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a			
b	Enter the aggregate 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 aggregate 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	67		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	59
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	Yes
5	Did the organization become aware during the year of a significant diversion of the organization’s assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization’s mailing address? If “Yes,” provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶AK , AZ , CA , CO , FL , GA , HI , IL , KS , KY , ME , MD , MA , MI , MN , MS , NH , NJ , NM , NY , ND , OH , OK , OR , RI , SC , TN , UT , WA , WV , WI
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another’s website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made 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 ▶ Tom Brems 1584 Tullie Circle Atlanta, GA 30329 (404) 785-7944

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

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 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 organizations compensated any current or former officer, director, or trustee

[illegible]

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	6,379,511	2,862,693	410,684

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization: 433

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A)	(B)	(C)
Name and business address	Description of services	Compensation
EMORY CHILDREN'S CENTER 2015 Uppergate Drive NE ATLANTA, GA 30322	Medical Services	19,206,283
PEDIATRIC EMERGENCY MEDICINE 2247 Salient Road MARIETTA, GA 30064	Emergency Services	12,991,184
THREE ATLANTA LLC 359 East Paces Ferry Road ATLANTA, GA 30305	MARKETING&ADV SRVCS	4,157,176
MORRIS DICKSON CO LLC PO BOX 51367 SHREVEPORT, LA 711351367	PHARM DISTRIBUTION	11,637,199
MICROSOFT LICENSING 1950 N STEMMONS FWY 5010 DALLAS, TX 75207	Software Licensing	4,560,930

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►65

Part VIII

Statement of Revenue

				(A)	(B)	(C)	(D)
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	2,987,791			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	11,298,974			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	62,814,710			
	g	Noncash contributions included in lines 1a-1f \$ 294,543					
	h	Total. Add lines 1a-1f		77,101,475			
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	Business Code 621110	911,793,429	911,793,429		
	b	ICTF PRIMARY CARE	621110	5,707,923	5,707,923		
	c	GRADUATE MEDICAL (GME) FUNDING	621110	5,428,506	5,428,506		
	d	STATE NEONATE INCOME	621110	3,009,111	3,009,111		
	e	HSOC-MANAGEMENT SERVICE FEES	561110	28,676,834	28,676,834		
	f	All other program service revenue		1,167,075	1,167,075		
	g	Total. Add lines 2a-2f		955,782,878			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		5,166,877		
4		Income from investment of tax-exempt bond proceeds . .		0			
5		Royalties		0			
6a		Gross rents	(i) Real 1,891,893	(ii) Personal			
b		Less rental expenses	1,512,168				
c		Rental income or (loss)	379,725				
d		Net rental income or (loss)		379,725			379,725
7a		Gross amount from sales of assets other than inventory	(i) Securities 5,369,804	(ii) Other 12,471			
b		Less cost or other basis and sales expenses	0	43,253			
c		Gain or (loss)	5,369,804	-30,782			
d		Net gain or (loss)		5,339,022			5,339,022
8a		Gross income from fundraising events (not including \$ 2,987,791 of contributions reported on line 1c) See Part IV, line 18	a 2,347,694				
b		Less direct expenses	b 1,475,631				
c		Net income or (loss) from fundraising events . .		872,063			872,063
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		ELECTRONIC MEDICAL RECORDS	518210	4,473,769	4,473,769		
b	GIFT SHOP REVENUE	900099	1,543,479	1,543,479			
c	CALL CENTER REVENUE	453220	1,094,213	1,094,213			
d	All other revenue		4,478,564	4,478,564			
e	Total. Add lines 11a-11d		11,590,025				
12	Total revenue. See Instructions		1,056,232,065	967,372,903		11,757,687	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	36,744,744	36,744,744		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	67,328	67,328		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	3,832,533	231,856	3,149,125	451,552
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	417,433,983	327,978,265	84,001,559	5,454,159
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	18,702,545	14,571,214	4,131,331	
9	Other employee benefits	43,081,548	33,564,975	8,178,080	1,338,493
10	Payroll taxes	27,732,503	21,606,484	6,126,019	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	557,203	4,324	552,879	
c	Accounting	325,729	5,610	320,119	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	54,106		54,106	
g	Other	2,627,819	2,367,860	266,105	-6,146
12	Advertising and promotion	9,080,997	535,101	8,039,298	506,598
13	Office expenses	8,528,722	3,778,650	4,272,521	477,551
14	Information technology	11,575,694	9,547,512	2,025,966	2,216
15	Royalties	0			
16	Occupancy	22,145,409	15,911,101	6,197,799	36,509
17	Travel	1,584,301	910,093	556,431	117,777
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	2,497,712	1,179,281	1,171,306	147,125
20	Interest	20,972,839	16,330	20,956,509	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	67,338,510	38,188,988	29,149,522	
23	Insurance	8,664,842	943,908	7,720,934	
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	MEDICAL SUPPLIES	100,604,423	97,207,951	3,367,607	28,865
b	PURCHASED SRVCS (RESEARCH)	25,558,705	25,558,705	0	0
c	PURCHASED SRVCS(MEDICAL)	29,744,445	29,744,445	0	0
d	BAD DEBT EXPENSE	9,976,378	9,976,378	0	0
e					
f	All other expenses	51,566,427	34,289,157	14,969,638	2,307,632
25	Total functional expenses. Add lines 1 through 24f	920,999,445	704,930,260	205,206,854	10,862,331
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			55,320,971	1	54,930,963
	2	Savings and temporary cash investments			0	2	13,727,759
	3	Pledges and grants receivable, net			42,312,318	3	42,071,368
	4	Accounts receivable, net			93,988,778	4	107,053,649
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			0	6	0
	7	Notes and loans receivable, net			0	7	0
	8	Inventories for sale or use			11,431,207	8	11,793,468
	9	Prepaid expenses and deferred charges			522,488	9	1,805,014
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	1,196,531,234			
	b	Less: accumulated depreciation	10b	661,163,771	545,352,927	10c	535,367,463
	11	Investments—publicly traded securities			98,179,458	11	84,684,786
	12	Investments—other securities. See Part IV, line 11			79,109,067	12	81,496,000
	13	Investments—program-related. See Part IV, line 11			0	13	0
	14	Intangible assets			0	14	0
	15	Other assets. See Part IV, line 11			1,318,011,668	15	1,026,153,115
	16	Total assets. Add lines 1 through 15 (must equal line 34)			2,244,228,882	16	1,959,083,585
Liabilities	17	Accounts payable and accrued expenses			133,041,648	17	160,009,186
	18	Grants payable			0	18	11,148,545
	19	Deferred revenue			0	19	0
	20	Tax-exempt bond liabilities			0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			0	23	0
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			516,366,031	25	40,443,759
	26	Total liabilities. Add lines 17 through 25			649,407,679	26	211,601,490
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			1,232,324,629	27	1,374,720,353
	28	Temporarily restricted net assets			228,144,987	28	236,345,486
	29	Permanently restricted net assets			134,351,587	29	136,416,256
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			1,594,821,203	33	1,747,482,095
34	Total liabilities and net assets/fund balances			2,244,228,882	34	1,959,083,585	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,056,232,065
2	Total expenses (must equal Part IX, column (A), line 25)	2	920,999,445
3	Revenue less expenses Subtract line 2 from line 1	3	135,232,620
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,594,821,203
5	Other changes in net assets or fund balances (explain in Schedule O)	5	17,428,272
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	1,747,482,095

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	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	Yes	

Additional Data

Software ID:

Software Version:

EIN: 90-0779996

Name: Children's Healthcare of Atlanta Group Return

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			
Doug Hertz Chairman - ECH/SR/EAS/EPG	1 0	X								
Mark Chancy Trustee - ECH/SR/EAS/EPG	1 0	X								
Cedric Miller MD Trustee - ECH/SR/EAS/EPG	1 0	X						16,706		
Christopher Womack Trustee - ECH/SR/EAS/EPG	1 0	X								
Dan Graveline Trustee - ECH/SR/EAS/EPG	1 0	X								
Doug Garges Trustee - ECH/SR/EAS/EPG	1 0	X								
Elizabeth Blake Trustee - ECH/SR/EAS/EPG	1 0	X								
George Raschbaum Trustee - ECH/SR/EAS/EPG	1 0	X						73,224		
Jonathan Goldman Trustee - ECH/SR/EAS/EPG	1 0	X								
Keith Mason Trustee - ECH/SR/EAS/EPG	1 0	X								
Michael Walsh Trustee - ECH/SR/EAS/EPG	1 0	X								
Robert Bruce Trustee - ECH/SR/EAS/EPG	1 0	X						71,760		
Stephanie Blank Trustee - ECH/SR/EAS/EPG	1 0	X								
Steve Cahillane Trustee - ECH/SR/EAS/EPG	1 0	X								
Tycho Howle Trustee - ECH/SR/EAS/EPG	1 0	X								
Jesse Spikes Trustee - ECH/SR/EAS/EPG/HSOC	1 0	X								
Joe Williams MD Trustee - ECH/SR/EAS/EPG	1 0	X						75,876		
Richard Anderson Trustee - ECH/SR/EAS/EPG/MAC	1 0	X								
Bea Perez Trustee - FDN	1 0	X								
Brad Foster Trustee - FDN	1 0	X								
Charles Ogburn Trustee - FDN	1 0	X								
Christy Roberts Trustee - FDN	1 0	X								0
Claire Arnold Trustee - FDN	1 0	X								0
Darrell Elligan Trustee - FDN	1 0	X								0
Dean Eisner Trustee - FDN	1 0	X								0

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			
Jay Simms Trustee - FDN	1 0	X								0
Jimmy Carlos Trustee - FDN	1 0	X								0
Jo Kirchner Trustee - FDN	1 0	X								0
Kathy Betty Trustee - FDN	1 0	X								0
Margaret Reiser Trustee - FDN	1 0	X								0
Mark Kaufmann Trustee - FDN	1 0	X								0
Mary Ellen Imlay Trustee - FDN	1 0	X								0
Molly Fletcher Trustee - FDN	1 0	X								0
Rich McKay Trustee - FDN	1 0	X								0
Robert Campbell Trustee - FDN	1 0	X								0
Scott MacLellan Trustee - FDN	1 0	X								
Scott Slade Trustee - FDN	1 0	X								0
Thomas Holder Trustee - FDN	1 0	X								0
William Pate Trustee - FDN	1 0	X								0
Elizabeth Howell Trustee - HSOC	10 0	X								0
Dan Salinas MD Trustee - HSOC	10 0	X								
Jackie Montag Trustee - HSOC	1 0	X								0
Lynn Gardner Trustee - HSOC	1 0	X								0
Madelyn Adams Trustee - HSOC	1 0	X								0
Ami Klin Trustee - MAC	1 0	X								0
Barbara Stoll MD Trustee - MAC	10 0	X								0
Charles Shaffer Jr Trustee - MAC	1 0	X								0
Frederick R Marcus PhD Trustee - MAC	1 0	X								0
Gregory Abowd Trustee - MAC	1 0	X								0
Larry Smith Trustee - MAC	1 0	X								0

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				
Rebecca Flick Trustee - MAC	1 0	X								0	
Tad Hutcheson Trustee - MAC	1 0	X								0	
Winifred Davis Trustee - MAC	1 0	X								0	
Don Chapman Trustee - MAC/ECH/SR/EAS/EPG	1 0	X								0	
Thomas Noonan Trustee -ECH/SR/EAS/EPG	1 0	X								0	
Tom Giddens Trustee - CHOA FDN	1 0	X									
John Dyer Trustee - MAC	1 0	X								0	
Donna Hyland President & CEO - SEE SCH O	10 0	X		X					1,227,592	31,345	
Carolyn Kenny COO - SEE SCHEDULE O	10 0	X							681,664	14,025	
Donald Mueller Executive Director - MAC	50 0	X						242,360		22,628	
ALLEN CHAN Trustee - FDN	1 0	X									
TOM COLEY Trustee - ECH/SR/EAS/EPG	1 0	X									
Trip Agerton Trustee - FDN	1 0	X									
MICHAEL RUSSELL TRUSTEE - FDN	1 0	X									
Terri Theisen Trustee - FDN	1 0	X						0	0	0	
Ruth Fowler SVP Finance/CFO - SEE SCH O	10 0			X					584,159	28,849	
Leslie Jones Secretary - SEE SCHEDULE O	10 0			X					369,278	13,002	
Eugene Hayes President - CHOA FDN	10 0			X				380,269		27,876	
Tonja Bridges Dir Fdn Admin/SECRETARY- FDN	50 0			X				98,599		15,129	
Beth Boatwright Sr Dir Fin OPS - ECH/SRCH	50 0				X			169,665		17,803	
Pat Wagner Dir HR - ECH	50 0				X			160,090		12,994	
Mary Beth Bova VP Ops /SLA Medicine - ECH	50 0				X			248,327		16,889	
Linda Hitchcock Dir HR - SR	50 0				X			163,121		9,848	
Denise Swords VP Operations - SR	50 0				X			307,054		16,398	
Scott Hodoval VP DEVELOPMENT - CHOA FDN	50 0				X			216,050		18,793	

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			
Robert Bentley VP Corporate Development - FDN	50 0				X			193,832		9,867
Roy Sanders Program Dir - SEE SCHEDULE O	50 0				X			187,439		19,290
Julia Jones VP Operations - HSOC	50 0				X			212,927		18,929
Andrew Reisner Neurosurgeon	50 0					X		891,614		30,345
William Boydston Prac Dir Neursurgical Svcs	50 0					X		808,727		22,761
David Wrubel Neurosurgeon	50 0					X		668,437		20,831
Barunashish Brahma Neurosurgeon	50 0					X		641,829		23,787
William Bonner Anesthesiologist	50 0					X		551,605		19,295

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

2011

Open to Public
Inspection

Name of the organization Children's Healthcare of Atlanta Group Return	Employer identification number 90-0779996
---	--

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 **section 170(b)(1)(A)(i).**
- 2

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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






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

Part II

Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f))	14	
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15	
16a	33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization 		
b	33 1/3% support test—2010. 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—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization 		
b	10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization 		
18	Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions 		

Part III

Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization		
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization		
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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation
EGLESTON CHILDREN'S HOSPITAL AT EMORY UNIVERSITY, INC PUBLIC CHARITY STATUS 170(B)(1)(A)(III) - BOX 3 SCOTTISH RITE CHILDREN'S MEDICAL CENTER, INC PUBLIC CHARITY STATUS 170(B)(1)(A)(III) - BOX 3 EGLESTON AFFILIATED SERVICES, INC PUBLIC CHARITY STATUS 170(B)(1)(A)(III) - BOX 3 EGLESTON PEDIATRIC GROUP, INC PUBLIC CHARITY STATUS 170(B)(1)(A)(III) - BOX 3 HSOC, INC PUBLIC CHARITY STATUS 170(B)(1)(A)(III) - BOX 3 MARCUS AUTISM CENTER, INC PUBLIC CHARITY STATUS 509(A)(2) - BOX 9 CHILDREN'S HEALTHCARE OF ATLANTA FOUNDATION PUBLIC CHARITY STATUS 509(A)(1) AND 170(B)(1)(A)(VI) - BOX 7

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
Attach to Form 990. See separate instructions.

Name of the organization
Children's Healthcare of Atlanta Group Return

Employer identification number
90-0779996

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	
	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	
	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ 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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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
1c	
1d	
1e	
1f	

1c

Beginning balance

1d

Additions during the year

1e

Distributions during the year

1f

Ending balance

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	108,381,422	104,663,778	95,032,323	172,905,427	
b Contributions					
c Investment earnings or losses	1,936,108	4,102,980	11,665,264	-25,907,178	
d Grants or scholarships					
e Other expenditures for facilities and programs	336,444	335,796	1,900,051		
f Administrative expenses	21,821	49,540	133,763	214,249	
g End of year balance	109,959,265	108,381,422	104,663,773	146,784,000	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 0 %

b

Permanent endowment ▶ 92 590 %

c

Term endowment ▶ 7 410 %

3a

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

(i)

unrelated organizations

3a(i)

Yes

No

(ii)

related organizations

3a(ii)

No

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

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		56,117,848		56,117,848
b Buildings		594,071,867	261,648,287	332,423,580
c Leasehold improvements		13,603,466	11,945,401	1,658,065
d Equipment		277,479,414	204,915,920	72,563,494
e Other		255,258,639	182,654,163	72,604,476
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				535,367,463

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

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e	
3	Subtract line 2e from line 13	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)5	

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

Part XIVSupplemental 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
ENDOWMENT FUNDS	SCHEDULE D, PART V	THE PERMANENTLY RESTRICTED ENDOWMENT BALANCE INCLUDES \$20,318,906 OF EGLESTON'S BENEFICIAL INTEREST IN TRUSTS AND \$81,496,000 OF SCOTTISH RITE'S BENEFICIAL INTEREST IN TRUSTS. CHILDREN'S IS THE BENEFICIARY OF THE PROPORTIONAL INCOME FROM CERTAIN PERPETUAL THIRD-PARTY TRUSTS. CHILDREN'S HAS NO ACCESS TO THE CORPUS OF THESE TRUSTS AND HAS LIMITED INPUT, AND ONLY IN SOME CASES, INTO THE INVESTMENT MIX OF THE UNDERLYING FUNDS HELD BY THE TRUSTS. THE ESTIMATED PRESENT VALUE OF FUTURE DISTRIBUTIONS TO BE RECEIVED FROM THESE TRUSTS IS USED FOR VALUATION PURPOSES. ALL ENDOWMENT FUNDS ARE COMPRISED OF PUBLICLY TRADED AND MARKETABLE SECURITIES, WITH THE EXCEPTION OF THE SCOTTISH RITE BENEFICIAL INTEREST IN TRUSTS, WHICH ARE CLASSIFIED AS OTHER SECURITIES.
ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 1A, COLUMN D	A PORTION OF THE 2008 END OF YEAR BALANCE HAS BEEN RECLASSIFIED TO MORE ACCURATELY REFLECT ASSETS HELD, IN ACCORDANCE WITH REPORTING GUIDANCE FOR ENDOWMENT DISCLOSURES. INTENDED USE OF ENDOWMENT FUNDS FORM 990, SCHEDULE D, PART V, LINE 4. ENDOWMENT FUNDS ARE UTILIZED TO PROVIDE FINANCIAL SUPPORT FOR CLINICAL, RESEARCH, TEACHING AND WELLNESS INITIATIVES AND PROGRAMS, INCLUDING A DESIGNATED PORTION FOR CHARITY CARE SERVICES.
OTHER LIABILITIES	SCHEDULE D, PART X	THE INTERCOMPANY PAYABLE REPORTED ON SCHEDULE D, PART X INCLUDES THE FILING ORGANIZATIONS ALLOCABLE SHARE OF TAX-EXEMPT BOND LIABILITIES AS PART OF THE HEALTH SYSTEMS OBLIGATED GROUP. DETAILED INFORMATION ABOUT THE OBLIGATED GROUPS TAX-EXEMPT BONDS IS REPORTED ON THE FORM 990 OF THE GROUPS PARENT, CHILDRENS HEALTHCARE OF ATLANTA, INC , EIN 58-2367819.
FIN 48 (ASC 740) FOOTNOTE	FORM 990, SCHEDULE D, PART X, LINE 2	CHILDREN'S HEALTHCARE OF ATLANTA FOLLOWS THE PROVISIONS OF ASC 740 (FIN 48), WHICH ADDRESSES LIABILITY FOR UNCERTAIN TAX POSITIONS. NO RELATED DISCLOSURES HAVE BEEN NECESSARY IN CHOA'S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEARS 2011 OR 2010.

OMB No 1545-0047

Open to Public Inspection

Employer identification number

90-0779996

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?		(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
		Yes	No			
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

AL, AK, AZ, AR, CA, CO, CT, DC, FL, GA, HI, IL, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WV, WI

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	(b) Event #2	(c) Other Events	(d) Total Events
		Gala (event type)	Sports Event (event type)	85 (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts	1,079,077	259,810	3,996,598
	2	Less Charitable contributions	677,775	75,000	2,235,016
	3	Gross income (line 1 minus line 2)	401,302	184,810	1,761,582
Direct Expenses	4	Cash prizes	0	2,897	4,876
	5	Non-cash prizes	0	275	0
	6	Rent/facility costs	64,836	37,176	317,641
	7	Food and beverages	128,862	7,732	46,590
	8	Entertainment	6,850	0	107,518
	9	Other direct expenses	32,685	42,643	675,050
	10	Direct expense summary Add lines 4 through 9 in column (d)			(1,475,631)
	11	Net income summary Combine lines 3 and 10 in column (d).			872,063

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			
	2	Cash prizes			
Direct Expenses	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> 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?

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
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SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Children's Healthcare of Atlanta Group Return

Employer identification number
90-0779996

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%<input type="checkbox"/> 150%<input type="checkbox"/> 200%<input checked="" type="checkbox"/> Other <u>235. %</u></div> b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input checked="" type="checkbox"/> Other <u>340. %</u></div> c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care	3a	Yes	
4	Did the organization's policy provide 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 charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)			20,269,820	713,172	19,556,648	2 150 %
b Medicaid (from Worksheet 3, column a)			394,486,207	364,751,088	29,735,119	3 260 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			414,756,027	365,464,260	49,291,767	5 410 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			21,888,095	1,348,393	20,539,702	2 250 %
f Health professions education (from Worksheet 5)			15,822,895	5,821,984	10,000,911	1 100 %
g Subsidized health services (from Worksheet 6)			31,088,601	13,928,572	17,160,029	1 880 %
h Research (from Worksheet 7)			43,894,091	698,981	43,195,110	4 740 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			33,124,912		33,124,912	3 640 %
j Total Other Benefits			145,818,594	21,797,930	124,020,664	13 610 %
k Total. Add lines 7d and 7j			560,574,621	387,262,190	173,312,431	19 020 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building			748,634		748,634	0.080 %
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total			748,634		748,634	0.080 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense	29,976,000	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	30	
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)	52,448,000	
6	Enter Medicare allowable costs of care relating to payments on line 5	64,493,000	
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7-2,045,000	
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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9aYes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9bYes	

Part IVManagement Companies and Joint Ventures (see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1SEE PART VI	OUTPATIENT SURGERY CENTER	51.000 %	0 %	49.000 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 2

Name and address

[illegible]

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)

Egleston Children's Hosp at Emory Univ

Name of Hospital Facility:

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 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
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? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> 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? If "Yes," indicate the FPG family income limit for eligibility for free care <u>235</u> % If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>340</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

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 (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> 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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> 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? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

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)

Scottish Rite Children's Medical Center

Name of Hospital Facility:

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 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
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? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> 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? If "Yes," indicate the FPG family income limit for eligibility for free care <u>235</u> % If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>340</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

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 (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> 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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> 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? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

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 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	
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 descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health 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
COMMUNITY BENEFIT REPORTING	PART I, LINE 6A	CHILDREN'S HEALTHCARE OF ATLANTA, INC , A RELATED ORGANIZATION, PREPARES AND MAKES AVAILABLE TO THE PUBLIC AN ANNUAL COMMUNITY BENEFIT REPORT THAT INCLUDES EGLESTON AND SCOTTISH RITE'S COMMUNITY BENEFITS COSTING METHODOLOGY PART I, LINE 7 THE COSTING METHODOLOGY UTILIZED WAS DERIVED PER IRS SCHEDULE H, WORKSHEET 2 (IN INSTRUCTIONS) WHICH CALCULATES RATIO OF PATIENT CARE COST TO CHARGES

Identifier	ReturnReference	Explanation
SUBSIDIZED HEALTH SERVICES	PART I, LINE 7G	THE SUBSIDIZED HEALTH SERVICES REPORTED ARE FOR HOSPITAL BASED PHYSICIAN CLINICS, INCLUDING DENTAL, ORTHODONTIC, MULTI-SPECIALTY, ETC

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	PART I, LINE 7 COLUMN (F)	BAD DEBT EXPENSE IN THE AMOUNT OF \$9,976,378 HAS BEEN REMOVED FROM TOTAL EXPENSE COMMUNITY BUILDING ACTIVITIES PART II COMMUNITY BUILDING ACTIVITIES INCLUDED A COLLABORATION WITH THE DEPARTMENT OF COMMUNITY HEALTH AND HEALTHMPOWERS TO PROMOTE HEALTHY BEHAVIORS IN STUDENTS, INCREASING FITNESS KNOWLEDGE AND REDUCING CHILDHOOD OBESITY

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	PART III, LINE 4	THE PROVISIONS FOR BAD DEBT RELATED TO PATIENT SERVICE REVENUE IS BASED ON AN EVALUATION OF POTENTIALLY UNCOLLECTIBLE PORTIONS OF ACCOUNTS RECEIVABLE THE PROVISION CONSIDERED NECESSARY FOR SUCH DEBTS IS BASED ON AN ANALYSIS OF CURRENT AND PAST DUE ACCOUNTS, COLLECTION EXPERIENCE IN RELATION TO AMOUNTS BILLED AND OTHER RELEVANT INFORMATION THE COSTING METHODOLOGY USED IN DETERMINING AMOUNTS REPORTED ON LINES 2 AND 3 WAS 100% OF ACCOUNTS WRITTEN OFF TO BAD DEBT AS REPORTED ON AUDITED FINANCIAL STATEMENTS CHILDREN'S CHARITY RECOGNITION PROCESSES ARE BELIEVED TO RESULT IN APPROPRIATE DIFFERENTIATION BETWEEN CHARITY AND BAD DEBT AS SUCH, CHILDREN'S REFLECTS 0 (ZERO) ON PART III, SECTION A, LINE 3

Identifier	ReturnReference	Explanation
EXPLANATION OF SHORTFALL AS COMMUNITY BENEFIT	PART III, LINE 8	AS A PEDIATRIC HOSPITAL, MEDICARE VOLUMES ARE LOW, AND AS SUCH ARE NOT SPECIFICALLY DIFFERENTIATED IN THIS YEAR'S 990. DIFFERENTIATION WILL BE MADE IN FUTURE PERIODS. FOR PURPOSES OF THE SPECIFIC RESPONSES TO PART III, LINE 8, MEDICARE PAYMENT AND MEDICARE CHARGES ARE ISOLATED BASED ON PAYMENTS POSTED/RECEIVED IN THE CALENDAR YEAR. COST IS ESTIMATED USING OVERALL COST-TO-CHARGE RATIO. As a pediatric-only healthcare system, Children's hospital services are "Low Volume, PPS Exempt" status for Medicare. Children's Medicare patients are predominantly Outpatient Dialysis and Transplant, specialized and high acuity services. Due to these unique factors the unrecovered cost of Medicare is treated as community benefit.

Identifier	ReturnReference	Explanation
PROVISIONS ON COLLECTION PRACTICES FOR QUALIFIED PATIENTS	PART III, LINE 9B	INITIAL SCREENINGS OF ALL INPATIENT, EMERGENCY, AND SURGERY ENCOUNTERS AS WELL AS MOST OUTPATIENT VISITS ARE CONDUCTED BY FINANCIAL COUNSELORS TO IDENTIFY POTENTIAL INSURANCE OR OTHER COVERAGE FOR EACH PATIENT COUNSELORS MAKE CONTACT WITH THE FAMILIES, EITHER IN PERSON OR LETTER, TO ASSIST THE FAMILY IN IDENTIFYING ANY PROGRAMS FOR WHICH THE PATIENT/SERVICE MAY QUALIFY (INCLUDING MEDICAID, STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP), INSURANCE COVERAGE, AND CHARITY ASSISTANCE) IF THE FAMILY CANNOT BE LOCATED OR IS UNCOOPERATIVE AFTER A PERIOD OF TIME, THESE ACCOUNTS ARE TRANSFERRED TO AN INTERNAL COLLECTION AREA FOR FURTHER ATTEMPTS TO OBTAIN PAYMENT OR, IF THE PATIENT MAY QUALIFY FOR ASSISTANCE, TO SECURE A FINANCIAL ASSISTANCE APPLICATION MANAGEMENT COMPANIES AND JOINT VENTURES PART IV, LINE 1 COLUMN A, NAME OF ENTITY CHILDREN'S HEALTHCARE OF ATLANTA SURGERY CENTER AT MERIDIAN MARK PLAZA, LLC COLUMN B, DESCRIPTION OF PRIMARY ACTIVITY OUTPATIENT SURGERY CENTER COLUMN C, ORGANIZATION'S PROFIT OR OWNERSHIP % 51% COLUMN D, OFFICERS, DIRECTORS, TRUSTEES OR KEY EMPLOYEES % 0% COLUMN E, PHYSICIAN'S PROFIT OR OWNERSHIP % 49%

Identifier	ReturnReference	Explanation
OTHER- PROVIDED FREE CARE	PART V, SECTION B, LINE 19D	BASED ON INCOME AS ATTESTED TO BY FAMILY, PROVIDED FREE CARE UP TO 235% OF FEDERAL POVERTY GUIDELINE, "SLIDING SCALE" CARE UP TO 340% OF FEDERAL POVERTY GUIDELINE WITH MINIMUM WRITE OFF EQUIVALENT TO THE AVERAGE OF THE THREE LOWEST NEGOTIATED COMMERCIAL INSURANCE PAYMENT RATES HOSPITAL FACILITY CHARGE PART V, SECTION B, LINES 20&21 INITIALLY CHARGES FOR PATIENT SERVICES ARE MADE IN A CONSISTENT MANNER TO ALL PATIENTS PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE ARE PROVIDED WITH SUPPORT VIA REDUCTION TO THEIR BALANCE OWED BASED ON DOCUMENTATION PROVIDED BY THE PATIENT AND THE HOSPITAL'S CHARITY POLICY CRITERIA

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI, LINE 2	<p>The Mission of Children's Healthcare of Atlanta (Egleston Children's Hospital at Emory University, Inc (Egleston) and Scottish Rite Children's Medical Center (Scottish Rite)) is " To make children better today and healthier tomorrow" We achieve this mission through our Best Care Healthier Kids strategy that focuses on Delivering the Best Care, Inspiring t he Best in People, Transforming Pediatrics and Engaging and Serving Our Communities As we worked with our board, physicians and leadership to develop this strategy, we asked both how we will meet the needs of Georgia's Kids and how we will prepare for delivery system a nd payment reform To meet the needs of Georgia's kids we prioritized strategies that incl ude continuing to improve our quality of care, patient satisfaction, access, care integrat ion and a focused effort to reduce obesity To prepare for delivery system reform we prior itized demonstrating and improving our value, focusing our research and teaching missions and aligning with our medical staff DELIVER THE BEST CARE Children's is the largest pedia tric provider in Georgia serving 8 10 Pediatric inpatient cases in the Atlanta MSA and 5 1 0 statewide In 2011, Children's saw 326,182 unique patients originating from all 159 Geor gia counties Children's has consistently higher volumes than the other top pediatric hosp itals Delivering the Best Care is a strategic focus area and has a detailed 5-year strate gic plan from 2012 to 2017 Three strategies support this strategic focus area, including delivering the highest quality accessible pediatric care, using information and technology to innovate and improve care, and improving care through collaboration and coordination Inspire the Best in People Inspiring the best in people requires us to recruit, retain and develop exceptional talent, create an environment that attracts the best physicians, and to support the training of Georgia's pediatric physician workforce Children's is the pedi atric physician training site for the Emory University School of Medicine, Morehouse Schoo l of Medicine, Medical College of Georgia, Duke University Medical Center, and Atlanta Med ical Center Children's has developed a teaching plan that will focus our training efforts in order to meet Georgia's projected physician manpower needs identified in key pediatric subspecialties Transform Pediatrics Transforming pediatrics requires Children's to demon strate the pediatric differential and the distinctive value of our care, align payment wit h care delivery and improvement efforts and to conduct research in targeted areas to trans form pediatric care Children'S research efforts are led by Paul Spearman, M D , Chief Res earch Officer at Children's and Vice Chair for research in the Emory Department of Pediatr ics The Emory-Children's Pediatric Research Center is a partnership between Emory and Chi ldren's Healthcare of Atlanta Thirteen key priority centers have been identified as part of this partnership They are Hematology and Oncology through the Aflac Cancer Center, Im munology and Vaccines, Transplant Immunology, Pediatric Healthcare Technology , Cystic Fib rosis, Developmental Lung Biology, Cardiovascular Biology, Drug Discovery, Autism, Neurosc iences, Nanomedicine, Outcomes and Public Health, and Clinical and Translational research The center creates new opportunities for clinical research at Children's and is available as a resource for physicians from throughout Children's and Emory The center is a new cl inical interaction research site of the Atlanta Clinical and Translational Science Institu te, a multi-institutional partnership supported by The National Institutes of Health and l ed by Emory University, along with Morehouse School of Medicine and Georgia Tech The stra tegic vision behind research is important to the community because in order to be a world- class pediatric institution and improve the health status of children, Children's determin ed they must develop a robust research program focused on acquiring new knowledge and expe rtise Strides in research can have far-reaching implications for patients at Children's a nd beyond by helping in the development of standards Engage and Serve Our Communities Eng aging and servicing our communities means that Children's will advocate for children's hea lth and be the trusted source of pediatric healthcare information, lead efforts to reduce Georgia's childhood obesity epidemic and Increase community awareness, engagement and supp ort of Children's In 2011, Georgia had the 2nd highest childhood obesity rate in the coun try Nearly 40% of Georgia's children are overweight or obese Children's recognizes a sig nificant opportunity for the organization to partner with the state and other agencies to improve the health of children in Georgia In 2011, Children's launched Strong4Life to lea d the fight against childhood obesity in Georgia, and to-date has impacted more than 300,0 00 children through physician, camp, school and da</p>

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI, LINE 2	y care programs. In addition, Children's trained 1,000 physicians and healthcare providers and reached more than 5,000 community members through Strong4Life events. Children's has a strategic wellness goal to improve the well-being of children in Georgia by focusing on high impact wellness initiatives. The organization is working to make a difference by enli sting help from the government, business leaders, school systems and other non-profits.

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI, LINE 3	ANNUALLY, A NEWSPAPER NOTICE ADVISES THE COMMUNITY THAT THE ORGANIZATION'S HOSPITALS ARE MEDICAID PROVIDERS PARTICIPATING IN THE STATE'S INDIGENT CARE TRUST FUND AND THAT FINANCIAL ASSISTANCE FOR MEDICALLY NECESSARY HOSPITAL SERVICES MAY BE AVAILABLE SIMILARLY, SIGNS AT ALL HOSPITAL REGISTRATION SITES PROVIDE PATIENTS AND FAMILIES WITH SIMILAR NOTICE IN ADDITION, HOSPITAL FINANCIAL COUNSELORS ACTIVELY ENGAGE FAMILIES TO ASSIST THEM IN SECURING FINANCIAL ASSISTANCE AND WRITTEN NOTICES ADVISE FAMILIES TO CONTACT CUSTOMER SERVICE WITH ANY ISSUES CONCERNING THEIR BILLS AND POTENTIAL ASSISTANCE

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI, LINE 4	<p>Geographic Children's is the largest pediatric provider in the state caring for children from all 159 Georgia counties in 2011. Approximately 5.5 million people comprised the total population in the 28-county Atlanta MSA. Demographics: Of the 9.8 million people who live in Georgia, 2.6 million (26 percent) of those are children, defined as those less than 18 years of age. Approximately 1.5 million children live in the Atlanta MSA, making it the sixth largest pediatric population among the top 10 largest metro areas in the country. The largest population of children in the Atlanta MSA was children ages zero to four years old (422,399). The population of the Atlanta MSA is predominantly white at 52.5 percent, 30.8 percent are black or African American, 10.2 percent are Hispanic or Latino, and 4.2 percent are Asian/Pacific Islander. The estimated average household income for Georgia residents was \$65,418 as compared to \$75,606 for residents in the Atlanta MSA. In 2011, approximately 60.55 percent (Egleston) and 48.75 percent (Scottish Rite) of patients were uninsured or Medicaid recipients.</p> <p>PROMOTION OF COMMUNITY HEALTH</p> <p>PART VI, LINE 5 The Children's Healthcare of Atlanta Board of Trustees is the governing body of Children's. It is comprised of voluntary community leaders who share a commitment to serving the community by enhancing the lives of children. A majority of this governing body is comprised of board members who reside in the organization's primary service area. They are not employees or contractors of the organization, nor family members thereof. Children's Healthcare of Atlanta extends medical staff privileges to all qualified physicians in the community for some or all of our departments. Children's provides access to more than 1,700 pediatric physicians. Children's is also the pediatric physician teaching site for Emory University School of Medicine and Morehouse School of Medicine. New physicians are encouraged to participate in fellowship programs, which are available in a variety of specialties. Children's Healthcare of Atlanta applies surplus funds to improvements in patient care, medical education and research.</p>

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM	PART VI, LINE 6	<p>Egleston Children's Hospital at Emory University, Inc (Egleston) and Scottish Rite Children's Medical Center, Inc (Scottish Rite) are part of an affiliated health care system Egleston and Scottish Rite are wholly-owned by Children's Healthcare of Atlanta, Inc (Children's) Children's controls, either directly or indirectly, several other entities which, together, make up the system Egleston and Scottish Rite play a major role in promoting the health of the community through the specialty pediatric services offered, including Orthopaedic, Neurosciences, and Craniofacial to name a few Approximately 2,874 and 2,507 of Children's Healthcare of Atlanta's more than 7,812 total employees work at Scottish Rite and Egleston, respectively providing care for the 326,182 patient visits they managed in 2011 In 2011, Children's Healthcare of Atlanta, Inc promoted the health of the overall community and provided 529 licensed beds and managed 777,881 patient visits, 326,182 unique patients (from all 159 counties in Georgia), 24,572 hospital admissions, 136,769 in patient days, 747,103 outpatient visits, 37,785 surgical procedures, 188,637 Emergency Department visits, 100,843 Immediate Care Center visits, and 46,551 Primary Care visits In addition, Children's managed 142,000 calls from parents across Georgia to the Children's nurse advice line Examples of specific programs offered at Children's to promote the health of the communities served by the system include - A family library where families receive important health information regarding their child's health condition or diagnosis via a consumer medical / health search done by the family librarians - A school program where Children's employs teachers so that patients can receive instruction during hospitalizations and long clinic visits - A special needs car seat program that is hospital based and designed to educate and assist parents and families with children who have special transportation needs - The Health Law Partnership (HELP), which is an interdisciplinary community collaboration among Georgia State University's College of Law, The Atlanta Legal Aid Society, and Children's Healthcare of Atlanta to improve the health and well-being of low-income children and their families HELP has a law office on the Scottish Rite campus - A Level I trauma program at Egleston and a Level II trauma program at Scottish Rite that provides high quality trauma care to pediatric patients There are six designated trauma centers in metro Atlanta Of those, Children's is one of only two that have the resources needed for injured children Trauma is the number 1 cause of death in children from one to 21 years of age</p>

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	PART VI, LINE 7	CHILDREN'S HEALTHCARE OF ATLANTA IS NOT REQUIRED TO FILE A COMMUNITY BENEFIT REPORT UNDER GEORGIA LAW. HOWEVER, WE PRODUCE AN ANNUAL REPORT ILLUSTRATING OUR BENEFIT TO THE COMMUNITY AND MAKE THAT PUBLIC ON OUR WEBSITE WWW.CHOA.ORG. THIS REPORT IS POSTED IN THE "COMMUNITY SUPPORT" SECTION. THERE IS ALSO A SECTION TITLED "OUR IMPACT ON GEORGIA" TO SHOW OUR BROADER IMPACT ON THE STATE.

Additional Data

Software ID:

Software Version:

EIN: 90-0779996

Name: Children's Healthcare of Atlanta Group Return

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

[illegible]

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
Children's Healthcare of Atlanta Group Return

Employer identification number
90-0779996

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes

☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Children's HC OF ATLANTA AT HUGHES SPALDING35 Jesse Hill Jr Drive Atlanta, GA 30303	26-2037695	501(c)3	3,619,832				support for capital & op's expenditures
(2) Children's HC OF ATLANTA AT HUGHES SPALDING35 Jesse Hill Jr Drive Atlanta, GA 30303	26-2037695	501(c)3	3,196,573				fund working capital deficit, per mgt agmt
(3) Emory-Children's Center Inc2015 Uppergate Drive NE Atlanta, GA 30322	58-2298500	501(c)3	5,428,339				support exempt org purpose
(4) Emory University1440 Clifton Road Atlanta, GA 30322	58-0566256	501(c)3	24,500,000				FUND PEDIATRIC RESEARCH BUILDING

2

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

4

3

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

0

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) Nursing Scholarships	20	67,328		Cash	N/A

Part IV

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

Identifier	Return Reference	Explanation
Description of Organization's Procedures for Monitoring the Use of Grants	Schedule I, Part III	CHANCES Grants provide tuition equivalent assistance for up to two years. Applicants must be accepted into a BSN program and be bilingual in English and Spanish. CHANCES Scholarship recipients agree to work for Children's Healthcare of Atlanta for a period of 18 months for each academic year they have received support. In addition, current Children's Healthcare of Atlanta employees that are enrolled in an accredited nursing program are eligible for the CANDLISH Nursing Scholarship. per Management Agreement, HSOC Inc has oversight of all Hughes Spalding Operations, including the use of Grant Funds. THE AMOUNT OF FUNDS PROVIDED ANNUALLY TO HUGHES SPALDING FROM HSOC, INC IS GOVERNED BY AGREED UPON TERMS OF THE MANAGEMENT CONTRACT. Per Management Agreement, Funds provided to Emory University is governed by agreed upon terms of the Management Contract.

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization Children's Healthcare of Atlanta Group Return	Employer identification number 90-0779996
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Part I

Questions Regarding Compensation

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

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.

[illegible]

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
Supplemental Compensation Information	SCHEDULE J, PART I, LINE 1A	Pursuant to the organization's travel and reimbursement policy, the CEO is entitled to travel first or business class on flights longer than two hours to enable the CEO to get work done more efficiently and effectively on longer flights. However, the CEO must give strong consideration to the financial implications of traveling first or business class. CHOA does not treat the payments for first class travel as taxable to the CEO given the business purposes associated with such flights. SCHEDULE J, PART III EMPLOYEES OF CHILDREN'S HEALTHCARE OF ATLANTA, INC. HAVE THE OPTION TO PARTICIPATE IN THE 403(B) PLAN OFFERED BY THE ORGANIZATION. CHILDREN'S PROVIDES AN ANNUAL DISCRETIONARY CONTRIBUTION TO A 401(A) RETIREMENT PLAN FOR EMPLOYEES WHO WORK AT LEAST 1,000 HOURS IN THE CALENDAR YEAR AND ARE EMPLOYED ON 12/31/11. ALL INDIVIDUALS ARE EMPLOYEES OF CHILDREN'S HEALTHCARE OF ATLANTA, INC. (THE "PARENT" - EIN 58-2367819) WITH CHILDREN'S HEALTHCARE OF ATLANTA GROUP RETURN (THE "GROUP" - EIN 5857) ACTING AS THE COMMON PAYROLL AGENT FOR THE PARENT AND ALL ENTITIES WITHIN THE GROUP.
EXECUTIVES ANNUAL INCENTIVES	SCHEDULE J, PART I, QUESTION 5A&5B	Executives are eligible for an annual incentive, which includes a measurement for achievement of the budgeted operating margin. These incentives are calculated as a certain percentage of the executive's base compensation approved by the Compensation and Benefits Committee.

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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				
Donna Hyland	(i) (ii)	878,530	322,023	27,039	9,800	21,545	1,258,937	
Ruth Fowler	(i) (ii)	403,098	154,766	26,295	9,800	19,049	613,008	
Leslie Jones	(i) (ii)	283,590	81,689	3,999	9,800	3,202	382,280	
Eugene Hayes	(i) (ii)	271,198	94,603	14,468	9,800	18,076	408,145	
Carolyn Kenny	(i) (ii)	483,460	185,805	12,399	9,800	4,225	695,689	
Beth Boatwright	(i) (ii)	141,045	28,320	300	6,027	11,776	187,468	
Pat Wagner	(i) (ii)	135,359	20,064	4,667	5,643	7,351	173,084	
Mary Beth Bova	(i) (ii)	201,567	42,119	4,641	8,189	8,700	265,216	
Linda Hitchcock	(i) (ii)	139,818	19,752	3,551	5,644	4,204	172,969	
Denise Swords	(i) (ii)	238,740	66,465	1,849	9,600	6,798	323,452	
Scott Hodoval	(i) (ii)	169,506	39,690	6,854	6,996	11,797	234,843	
Robert Bentley	(i) (ii)	156,776	19,705	17,351	6,970	2,897	203,699	
Donald Mueller	(i) (ii)	190,110	51,583	667	8,072	14,556	264,988	
Roy Sanders	(i) (ii)	184,541	1,579	1,319	7,571	11,719	206,729	
Julia Jones	(i) (ii)	170,988	41,070	869	7,106	11,823	231,856	
Andrew Reisner	(i) (ii)	870,115	1,000	20,499	9,800	20,545	921,959	
William Boydston	(i) (ii)	713,884	75,344	19,499	9,800	12,961	831,488	
David Wrubel	(i) (ii)	589,057	62,043	17,337	9,800	11,031	689,268	

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				
Barunashish Brahma	(i) (ii)	564,067	60,425	17,337	9,800	13,987	665,616	
William Bonner	(i) (ii)	448,461	82,645	20,499	9,800	9,495	570,900	

Schedule L
(Form 990 or 990-EZ)

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.

OMB No 1545-0047
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Open to Public Inspection

Name of the organization
Children's Healthcare of Atlanta Group Return

Employer identification number
90-0779996

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	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?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IVBusiness 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
See Additional Data Table					

Part VSupplemental Information

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

Identifier	Return Reference	Explanation
Business Transactions Involving Interested Persons	Schedule L, Part IV	PEDIATRIC EMERGENCY MEDICINE ASSOCIATES, LLC (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - AN OFFICER OF PEDIATRIC EMERGENCY MEDICINE ASSOCIATES, LLC (CEDRIC MILLER) ALSO SERVES AS CURRENT TRUSTEE FOR CHOA, ECH, SRH, EAS, AND EPG (C) \$12,991,184 (D) DESCRIPTION OF TRANSACTION - PEDIATRIC EMERGENCY MEDICINE ASSOCIATES, LLC PROVIDES EMERGENCY DEPARTMENT PHYSICIAN AND MIDLEVEL STAFF TO CHOA ON A CONTRACTUAL BASIS SUNTRUST BANKS, INC (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - AN OFFICER OF SUNTRUST BANKS, INC (MARK CHANCY) ALSO SERVES AS CURRENT TRUSTEE FOR CHOA, ECH, SRH, EAS, AND EPG (C) \$1,989,885 (D) DESCRIPTION OF TRANSACTION - SUNTRUST BANKS, INC PROVIDES GENERAL BANKING SERVICES TO CHILDREN'S EMORY-CHILDREN'S CENTER (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - EXECUTIVE DIRECTOR OF EMORY-CHILDREN'S CENTER (BETH HOWELL) IS A KEY EMPLOYEE FOR CHOA (PARENT) AND WAS A TRUSTEE AND OFFICER OF HSOC (C) \$19,206,283 (D) DESCRIPTION OF TRANSACTION - THE EMORY-CHILDREN'S CENTER IS A JOINT VENTURE BETWEEN EMORY AND CHILDREN'S, WHICH PROVIDES PEDIATRIC MEDICAL SERVICES MCKENNA, LONG, & ALDRIDGE (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - AN OFFICER OF MCKENNA, LONG, & ALDRIDGE (KEITH MASON) ALSO SERVES AS CURRENT TRUSTEE FOR CHOA, ECH, SRH, EAS, AND EPG (C) \$157,283 (D) DESCRIPTION OF TRANSACTION- MCKENNA, LONG, & ALDRIDGE PROVIDES PROFESSIONAL LAW SERVICES TO CHILDREN'S NPI (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - THE NEPHEW OF CHAIR EMERITUS BERNARD MARCUS AND THE COUSIN OF TRUSTEE FREDERICK (FRED) MARCUS (LAWRENCE (LARRY) SMITH) RECEIVED COMMISSIONS THROUGH A CONTRACT WITH CHOA AND NPI (C) \$195,532 (D) DESCRIPTION OF TRANSACTION - MR SMITH HAS FAMILY MEMBERS WITH A DIRECT OR INDIRECT BUSINESS RELATIONSHIP WITH THE ORGANIZATION RECEIVED COMMISSIONS THROUGH CONTRACT WITH CHOA AND NPI MORRISON (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - CEO OF MORRISON (SCOTT MACLELLAN) ALSO SERVES AS TRUSTEE FOR THE FOUNDATION (C) \$4,158,156 (D) DESCRIPTION OF TRANSACTION - MORRISON PROVIDES FOOD MANAGEMENT SERVICES TO CHILDREN'S UNITED PARCEL SERVICE (UPS) (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - AN OFFICER OF THE UNITED PARCEL SERVICE (TERI MCCLURE) SERVED AS TRUSTEE (2010) FOR CHOA, ECH, SRH, EAS, AND EPG (C) \$196,130 (D) DESCRIPTION OF TRANSACTION - THE UNITED PARCEL SERVICE PROVIDES SHIPPING SERVICES FOR CHOA PEDIATRIC ADOLESCENT SURGICAL ASSOCIATES (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - AN EMPLOYEE OF PEDIATRIC ADOLESCENT SURGICAL ASSOCIATES (GEORGE RASCHBAUM) SERVED AS TRUSTEE FOR CHOA, ECH, SRH, EAS, AND EPG (C) \$250,073 (D) DESCRIPTION OF TRANSACTION - PEDIATRIC ADOLESCENT SURGICAL ASSOCIATES HAS CONTRACTED WITH CHOA FOR LEASE OF OFFICE SPACE, ELECTRONIC MEDICAL RECORD SERVICES, AND TRAUMA SERVICES (\$150,153) DR RASCHBAUM ALSO RECEIVE QUARTERLY DISTRIBUTIONS DUE TO HIS OWNERSHIP IN MERIDIAN MARK SURGERY CENTER, AN ENTITY IN WHICH CHOA HAS A 51% INTEREST (\$99,920) ATLANTA DREAM (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - 70% OWNER OF THE WNBA ATLANTA DREAM (KATHY BETTY) ALSO SERVES AS TRUSTEE FOR THE FOUNDATION (C) \$25,000 (D) DESCRIPTION OF TRANSACTION - CHOA WAS A SPONSOR OF THE ATLANTA DREAM KAUFFMAN TIRES, INC (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND THE ORGANIZATION - AN OFFICER OF KAUFFMAN TIRES, INC (MARK KAUFFMAN) ALSO SERVES AS TRUSTEE FOR THE FOUNDATION (C) \$50,000 (D) DESCRIPTION OF TRANSACTION - KAUFFMAN TIRES, INC SPONSORED THE KAUFFMAN TIRE CLASSIC, A SPRING BASEBALL CLASSIC BENEFITING CHILDREN'S

Additional Data

Software ID:
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Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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
PEDIATRIC EMERGENCY MEDICINE ASSOC	SEE SCHEDULE L, PART V	12,991,184	SEE SCHEDULE L, PART V		No
SUNTRUST BANKS INC	SEE SCHEDULE L, PART V	1,989,885	SEE SCHEDULE L, PART V		No
EMORY-CHILDREN'S CENTER	SEE SCHEDULE L, PART V	19,206,283	SEE SCHEDULE L, PART V		No
MCKENNA LONG ALDRIDGE	SEE SCHEDULE L, PART V	157,283	SEE SCHEDULE L, PART V		No
NPI	SEE SCHEDULE L, PART V	195,532	SEE SCHEDULE L, PART V		No
MORRISON	SEE SCHEDULE L, PART V	4,158,156	SEE SCHEDULE L, PART V		No
UNITED PARCEL SERVICE UPS	SEE SCHEDULE L, PART V	196,130	SEE SCHEDULE L, PART V		No
PEDIATRIC ADOLESCENT SURGICAL ASSOC	SEE SCHEDULE L, PART V	250,073	SEE SCHEDULE L, PART V		No
ATLANTA DREAM	SEE SCHEDULE L, PART V	25,000	SEE SCHEDULE L, PART V		No
KAUFFMAN TIRES INC	SEE SCHEDULE L, PART V	50,000	SEE SCHEDULE L, PART V		No

SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

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

Name of the organization
Children's Healthcare of Atlanta Group Return

Employer identification number
90-0779996

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles	X	1		other
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	54	294,543	cost or selling pric
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ()				
26 Other ►()				
27 Other ►()				
28 Other ► ()				

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

29

1

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

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
SCHEDULE M SUPPLEMENTAL INFORMATION	SCHEDULE M, PART 1, LINE 32b	SUNTRUST BANK PROCESSES NONCASH CONTRIBUTIONS ON BEHALF OF CHILDREN'S FOUNDATION BY HANDLING THE SALE OF STOCK GIFTS TO CONVERT TO CASH MOTORCYCLE DONATED AND SOLD THE NON-CASH DONATION WAS NOT RECORDED, BUT THE AMOUNT RECEIVED UPON DISPOSITION WAS RECORDED

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

2011**Open to Public
Inspection**Name of the organization
Children's Healthcare of Atlanta Group Return**Employer identification number**

90-0779996

Identifier	Return Reference	Explanation
CHANGES MADE TO AMENDED RETURN	SCHEDULE H, PART I, LINE 7	<p>SCHEDULE H, PART I, LINE 7 REPORTING OF FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFITS WAS AMENDED TO MORE ACCURATELY REFLECT THE COSTS OF SERVICES COMPLETED BY THE ORGANIZATION FOR THE BETTERMENT OF THE GREATER ATLANTA REGION THE CHANGES WERE MADE TO MORE ACCURATELY REFLECT NEWLY DISCOVERED RESEARCH ACTIVITIES THAT TOOK PLACE DURING CALENDAR YEAR 2011 Volunteers Form 990, Part I, Line 6 Childrens relies on volunteer support to raise funds in our community through organizing or volunteering at events Individuals and corporations work with Childrens to host and support numerous community, sports and holiday events, all to benefit our not-for-profit organization In 2011, more than 5,000 volunteers supported Childrens in this capacity Volunteers also play such an important role in clinical settings within our not-for-profit healthcare system that we call them Friends They help by bringing a sense of enthusiasm and warmth that is important to our patients, their families and our staff With the guidance of the Childrens staff, Childrens volunteers work a set weekly schedule within one of the following hospital areas Direct patient care, Customer service and Administrative support Hospital volunteers can be found working on all of our hospital campuses as well as several of our neighborhood locations Approximately 1,400 active volunteers assist at our medical facilities For more information on volunteer opportunities in fundraising and other support to our patients and families, please visit www.choa.org/volunteer DESCRIPTION OF SIGNIFICANT CHANGES TO ORGANIZING OR ENABLING DOCUMENT Form 990, Part VI, Question 4 During the current fiscal year, the Marcus Autism Center Amended its bylaws to reflect a decrease in the maximum number of Regular Trustees from 17 to 12 and a decrease in the maximum number of At Large Trustees from 6 to 4</p>

Identifier	Return Reference	Explanation
Description of Classes of Members or Stockholders	Form 990, Part VI, Question 6	<p>CHILDREN'S HEALTHCARE OF ATLANTA, INC IS THE SOLE MEMBER OF ALL SUBORDINATES EXCEPT HSOC EGGLESTON CHILDREN'S HOSPITAL IS THE SOLE CORPORATE MEMBER OF HSOC Description of Classes of Persons and the Nature of Their Rights Form 990, Part VI, Question 7a THE BYLAWS OF EGGLESTON CHILDREN'S HOSPITAL AT EMORY UNIVERISTY, INC , SCOTTISH RITE CHILDREN'S MEDICAL CENTER, INC , EGGLESTON AFFILIATED SERVICES, INC AND EGGLESTON PEDIATRIC GROUP, INC , PROVIDE THAT ITS TRUSTEES SHALL BE THE PERSONS THEN SERVING AS THE TRUSTEES OF CHILDREN'S HEALTHCARE OF ATLANTA, INC THE BYLAWS OF MARCUS AUTISM CENTER AND CHILDREN'S HEALTHCARE OF ATLANTA FOUNDATION, INC PROVIDE THAT THE TRUSTEES OF THESE ORGANIZATIONS ARE SUBJECT TO THE APPROVAL AND REMOVAL BY CHILDREN'S HEALTHCARE OF ATLANTA Descr Classes of Persons, Decisions Requiring Appr & Type of Voting Rights Form 990, Part VI, Question 7b CHILDREN'S HEALTHCARE OF ATLANTA, INC (CHOA), A SECTION 501(c)(3) PUBLIC CHARITY, IS THE CORPORATE PARENT OF THE SUBORDINATES INCLUDEDIN THIS GROUP RETURN UNDER THE SUBORDINATES' BYLAWS, CERTAIN CORPORATE ACTIONS ARE SUBJECT TO THE DIRECT OR INDIRECT APPROVAL OF CHOA THESE ACTIONS INCLUDE APPOINTMENT OR REMOVAL OF DIRECTORS, ADOPTION OR AMENDMENT OF A STRATEGIC PLAN, ADOPTION AND/OR AMENDMENT OF THE ANNUAL BUDGET, APPROVAL OF MAJOR CAPITAL EXPENDITURES, APPROVAL OR AMENDMENT OF MAJOR CONTRACTS, THE ADDITION OR DISCONTINUATION OF SIGNIFICANT HEALTHCARE SERVICES, INCURRENCE OF DEBT IN EXCESS OF \$1 MILLION, APPROVAL OF PURCHASES, LEASES OR DISPOSALS OF ASSETS IN EXCESS OF \$250,000, PARTICIPATION IN JOINT VENTURES OR OTHER STRATEGIC RELATIONSHIPS, CREATION OF NEW AFFILIATES, MERGER, CONSOLIDATION, LIQUIDATION, OR DISSOLUTION OF THE ORGANIZATION, SIGNIFICANT DISPOSITIONS OF THE ORGANIZATION'S ASSETS, AND AMENDMENT OR RESTATEMENT OF THE ORGANIZATION'S GOVERNING DOCUMENTS</p>

Identifier	Return Reference	Explanation
Describe the Process used by Management &/or Governing Body to Review 990	Form 990, Part VI, Question 11A	THE ORGANIZATION'S FORM 990 IS REVIEWED IN DETAIL BY THE MEMBERS OF THE AUDIT AND FINANCE COMMITTEES, AFTER WHICH THE ENTIRE BOARD OF DIRECTORS IS PROVIDED A COPY PRIOR TO FINAL APPROVAL AND FILING

Identifier	Return Reference	Explanation
Description of Process to Monitor Transactions for Conflicts of Interest	Form 990, Part VI, Question 12c	<p>CHILDREN'S BOARD OF TRUSTEES ADOPTED A CONFLICT OF INTEREST POLICY THAT APPLIES TO AN "INTERESTED PERSON" AN INTERESTED PERSON WOULD BE EVERY DIRECTOR, TRUSTEE, MEMBER OF A BOARD COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS, OFFICER OR "KEY MANAGEMENT EMPLOYEE" OF A CHILDREN'S ORGANIZATION WHOM HAS A DIRECT OR INDIRECT FINANCIAL INTEREST A KEY MANAGEMENT EMPLOYEE WOULD BE THE CHIEF EXECUTIVE OFFICER OF A CHILDREN'S ORGANIZATION, ANY MANAGERS WHO REPORT DIRECTLY TO THE CHIEF EXECUTIVE OFFICER OR THE BOARD OF A CHILDREN'S ORGANIZATION, ANY EMPLOYEE OTHERWISE LISTED AS A CURRENT OR FORMER "KEY EMPLOYEE" ON THE MOST RECENTLY FILED IRS FORM 990 OF A CHILDREN'S ORGANIZATION, OR ANY OTHER PERSONNEL SO DESIGNATED BY THE CHIEF EXECUTIVE OFFICER IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS OR TRUSTEES AND MEMBERS OF COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, SUCH INTERESTED PERSON SHALL LEAVE THE GOVERNING BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT EXISTS AFTER EXERCISING DUE DILIGENCE, THE GOVERNING BOARD OR COMMITTEE SHALL DETERMINE WHETHER A) THE TRANSACTION OR ARRANGEMENT IS IN THE CHILDREN'S ORGANIZATION BEST INTEREST, AND IS FAIR AND REASONABLE OR B) WHETHER THE CHILDREN'S ORGANIZATION CAN OBTAIN WITH REASONABLE EFFORTS AN EQUAL OR MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST THE GOVERNING BOARD OF COMMITTEE SHALL DETERMINE BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS OR TRUSTEES WHETHER A) TO ENTER INTO THE TRANSACTION OR ARRANGEMENT, OR B) TO ENTER INTO AN EQUAL OR MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT WITH A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST, OR C) TAKE NO ACTION EACH INTERESTED PERSON OF A CHILDREN'S ORGANIZATION SHALL ANNUALLY SIGN A STATEMENT WHICH AFFIRMS THAT SUCH PERSON A) HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, B) HAS READ AND UNDERSTANDS THE POLICY, AND C) HAS AGREED TO COMPLY WITH THE POLICY ANNUALLY, INTERESTED PERSONS WILL COMPLETE A QUESTIONNAIRE TO PROVIDE INFORMATION NEEDED IN CONNECTION WITH THE CHILDREN'S ORGANIZATION'S FILING OF ITS IRS FORM 990 WITH THE INTERNAL REVENUE SERVICE RESULTS OF THE QUESTIONNAIRE ARE REVIEWED BY SENIOR LEADERSHIP</p>

Identifier	Return Reference	Explanation
Offices & Positions for Which Process was Used, & Year Process was Begun	Form 990, Part VI, Question 15a&b	<p>Children's Board of Trustees has ultimate decision-making over Executive Compensation, and the Compensation and Benefits Committee (Committee) is responsible for program oversight and administration and for making recommendations to the Board. The Compensation and Benefits Committee is comprised of Independent Board members and charged with evaluating the total compensation package of selected employees (called "disqualified persons"). To carry out this charge, the Committee engages an independent third party executive compensation consulting firm to complete an annual assessment of the competitiveness and reasonableness of the total compensation package for "disqualified persons" and other executives. Using market data provided by the third party relating to the pay, benefits and perquisites paid to functionally comparable positions in organizations comparable to Children's Healthcare of Atlanta, the Committee provides total compensation recommendations. Pay recommendations are made in December and Board approved changes, if any, are effective in January of the coming year. Incentive payouts are approved in February, for the prior year's performance, and issued in March. All Committee recommendations and Board decisions (related to executive compensation) are documented in the applicable meeting minutes.</p>

Identifier	Return Reference	Explanation
Avail of Gov Docs, Conflict of Interest Policy, & Fin Strmts to Gen Public	Form 990, Part VI, Question 19	THE ORGANIZATION DOES NOT MAKE THESE DOCUMENTS AVAILABLE, CONSISTENT WITH IRS REQUIREMENTS DESCRIPTION OF PERSONS TITLES FORM 990, PART VII, SECTION A ABBREVIATION DEFINITIONS CHOA FDN- CHILDREN'S HEALTHCARE OF ATLANTA FOUNDATION, INC MAC- MARCUS AUTISM CENTER, INC ECH- EGLESTON CHILDREN'S HOSPITAL AT EMORY UNIVERSITY, INC SRCH- SCOTTISH RITE CHILDREN'S MEDICAL CENTER, INC HSOC- HSOC, INC EAS- EGLESTON AFFILIATED SERVICES, INC EPG- EGLESTON PEDIATRIC GROUP, INC NAME AND TITLES RUTH FOWLER- SVP FINANCE & CFO AT CHOA FND/MAC/ ECH/ SRCH/ HSOC/ EAS/ EPG DONNA HYLAND- PRESIDENT & CEO AT MAC/ ECH/ SRCH/ EAS/ EPG/ HSOC- CHAIRMAN LESLIE JONES - SECRETARY AT MAC/ECH/SRCH/EAS/EPG/HSOC CAROLYN KENNY- CHIEF OPERATING OFFICER- ECH & HSOC ROY SANDERS- PROGRAM DIRECTOR NEUROLOGY & MEDICAL DIRECTOR- MAC HOURS DEVOTED TO RELATED ORGANIZATIONS FORM 990, PART VII ALL MEMBERS OF CHILDREN'S HEALTHCARE OF ATLANTA EXECUTIVE TEAM WORK A MINIMUM OF 50 HOURS PER WEEK THE SPLIT OF THESE HOURS BETWEEN THE PARENT AND GROUP RETURNS IS DETERMINED BY THE INDIVIDUAL'S ROLE AND RESPONSIBILITIES AS WELL AS THE LOCATION OF THE INDIVIDUAL'S PAYROLL EXPENSE INDIVIDUALS WHOSE PAYROLL EXPENSE IS LOCATED AT THE PARENT SPEND 80% OR 40 HOURS OF THEIR WORK WEEK DEVOTED TO CARRYING OUT THE GOALS AND OBJECTIVES OF THE CHOA ORGANIZATION AS A WHOLE THE REMAINING 20% OR 10 HOURS IS DEVOTED TO SPECIFIC GOALS AND TASKS ASSOCIATED WITH ONE OR MORE OF THE ORGANIZATIONS REPRESENTED IN THE GROUP RETURN INDIVIDUALS WHOSE PAYROLL EXPENSE IS LOCATED AT THE SUPPORT ZONE SPEND 80% OR 40 HOURS OF THEIR WORK WEEK DEVOTED TO CARRYING OUT THE GOALS AND OBJECTIVES OF ONE OR MORE OF THE ENTITIES REPRESENTED IN THE GROUP RETURN THE REMAINING 20% OR 10 HOURS IN DEVOTED TO TASKS OR OBJECTIVES RELATED TO THE CHOA ORGANIZATION AS A WHOLE

Identifier	Return Reference	Explanation
Reconciliation of Net Assets	Form 990, Part XI	Other Changes in Net Assets of Fund Balance Unrealized Gains (\$13,034,800) Transfers between entities \$30,415,215 Other reconciling items \$47,857 _____ Total Other Changes \$17,428,272

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Elizabeth Howell TITLE Trustee - HSOC HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME:Dan Salinas, MD TITLE Trustee - HSOC HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME.Barbara Stoll, MD TITLE.Trustee - MAC HOURS 10

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Donna Hyland TITLE President & CEO - SEE SCH O HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Carolyn Kenny TITLE COO - SEE SCHEDULE O HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Ruth Fowler TITLE SVP Finance/CFO - SEE SCH O HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME:Leslie Jones TITLE:Secretary - SEE SCHEDULE O HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Eugene Hayes TITLE President - CHOA FDN HOURS 10

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

2011

Open to Public Inspection

Name of the organization
Children's Healthcare of Atlanta Group Return

Employer identification number
90-0779996

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
(1) CHILDREN'S SEDATION SERVICES LLC 1584 Tullie Circle Atlanta, GA 30329 81-0582607	Phy Services	GA	1,262,493	0	EGLESTON PED
(2) CHILDREN'S ANESTHESIA SERVICES LLC 1584 Tullie Circle Atlanta, GA 30329 20-0044124	Phy Services	GA	10,581,030	0	EGLESTON PED
(3) CHOA CENTER FOR PAIN RELIEF LLC 1584 Tullie Circle Atlanta, GA 30329 32-0185406	Phy Services	GA	430,499	0	EGLESTON PED
(4) CHOA PEDIATRIC NEUROLOGY LLC 1584 Tullie Circle Atlanta, GA 30329 37-1575334	Phy Services	GA	2,563	0	EGLESTON PED
(5) PEDIATRIC NEUROSURGERY ASSOCIATES 1584 Tullie Circle Atlanta, GA 30329 26-0833842	Phy Services	GA	4,261,686	0	EGLESTON PED

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) Children's Healthcare of Atlanta Inc 1584 Tullie Circle Atlanta, GA 30329 58-2367819	Hlthcre Mgmt	GA	501(c)(3)	11 Type II	na		No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) MERIDIAN MARK LLC 1584 Tullie Circle ATLANTA, GA 30329 01-0723254	SURGERY CENTER	GA	SCOTTISH RITE	RELATED				No	0		No	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) EMORY-EGLESTON CHILDREN'S HEART CENTER 2835 BRANDYWINE ROAD SUITE 300 ATLANTA, GA 30329 58-1871713	CARDIAC SERVICES	GA	CHOA	C CORP	0	0	0 %
(2) THE CHILDREN'S HEALTH NETWORK INC 1584 TULLIE CIRCLE ATLANTA, GA 30329 58-2133795	HLTHCARE SERVICES	GA	CHOA	C CORP	0	0	0 %

Part V

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

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

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

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

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Sale of assets to related organization(s)

g Purchase of assets from related organization(s)

h Exchange of assets with related organization(s)

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

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

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

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

m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n Sharing of paid employees with related organization(s)

o Reimbursement paid to related organization(s) for expenses

p Reimbursement paid by related organization(s) for expenses

q Other transfer of cash or property to related organization(s)

r Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

Yes

Yes

No

Yes

No

Yes

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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Children's Healthcare of Atlanta, Inc. and Affiliates

Consolidated Financial Statements as of and for the
Years Ended December 31, 2011 and 2010, and
Independent Auditors' Report

CHILDREN'S HEALTHCARE OF ATLANTA, INC. AND AFFILIATES

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Balance Sheets	2
Statements of Operations	3
Statements of Changes in Net Assets	4
Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6–20

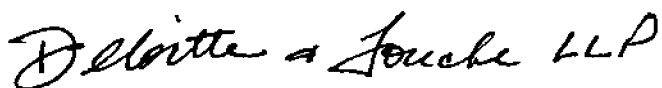
INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Children's Healthcare of Atlanta, Inc. and Affiliates
Atlanta, Georgia

We have audited the accompanying consolidated balance sheets of Children's Healthcare of Atlanta, Inc. and Affiliates (a Georgia not-for-profit corporation) ("Children's") as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Children's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Children'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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of Children's as of December 31, 2011 and 2010, and the results of its operations, the changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



May 22, 2012

CHILDREN'S HEALTHCARE OF ATLANTA, INC. AND AFFILIATES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 62 017	\$ 61 326
Patient accounts receivable — less allowance for uncollectible accounts of \$3 724 and \$4 186 in 2011 and 2010 respectively	107 258	96 555
Assets whose use is limited (Note 4)	37 154	37 512
Contributions receivable — net	17 508	18 089
Other receivables	15 695	15 766
Supplies and prepaid expenses	16 391	14 561
Total current assets	256 023	243 809
ASSETS WHOSE USE IS LIMITED (Note 4)	2 137 204	2 008 779
PROPERTY AND EQUIPMENT — Net (Note 1)	558 302	567 263
OTHER NONCURRENT ASSETS		
Bond issuance costs — net	4 040	4 322
Deposits and other assets	493	864
Noncurrent contributions receivable — net	17 902	20 589
Total other noncurrent assets	22 435	25 775
BENEFICIAL INTERESTS IN TRUSTS	102 062	100 776
TOTAL	\$ 3 076 026	\$ 2 946 402
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 9 224	\$ 9 123
Long-term debt classified as current (Note 6)	37 154	37 512
Accounts payable and other	163 081	127 729
Salaries related taxes and benefits	32 501	32 924
Accrued interest	1 844	2 626
Total current liabilities	243 804	209 914
LONG-TERM DEBT — Net of portion classified as current (Note 6)	431 671	438 086
OTHER NONCURRENT LIABILITIES	207 503	107 300
COMMITMENTS AND CONTINGENCIES (Note 8)		
NET ASSETS		
Unrestricted	1 813 445	1 795 699
Temporarily restricted	238 433	256 268
Permanently restricted	141 170	139 135
Total net assets	2 193 048	2 191 102
TOTAL	\$ 3 076 026	\$ 2 946 402

See notes to consolidated financial statements

CHILDREN'S HEALTHCARE OF ATLANTA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
OPERATING REVENUES AND SUPPORT		
Net patient service revenue	\$ 967,089	\$ 923,357
Other operating revenue	35,433	28,979
Unrestricted contributions	8,673	8,684
Net assets released from restriction for operations	36,609	25,707
Total operating revenues and support	<u>1,047,804</u>	<u>986,727</u>
OPERATING EXPENSES		
Salaries and wages	441,497	417,668
Employee benefits	92,679	87,741
Purchased services	133,671	80,934
Supplies	106,346	102,317
Other expenses	58,262	52,816
Provision for bad debts	10,273	12,969
Interest expense	20,445	22,974
Depreciation and amortization	70,921	67,230
Total operating expenses	<u>934,094</u>	<u>844,649</u>
OPERATING INCOME	113,710	142,078
INVESTMENT (LOSS) INCOME AND OTHER (Note 4) — Including unrealized (losses) gains on securities of (\$103,344) and \$78,983 in 2011 and 2010, respectively	(28,894)	155,122
NET CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS (Notes 1 and 6)	(66,286)	(16,606)
CONTRIBUTIONS TO HUGHES SPALDING (Note 1)	(3,197)	(2,602)
EQUITY IN INCOME OF UNCONSOLIDATED INVESTMENTS	8,457	19,208
EQUITY IN LOSS OF UNCONSOLIDATED AFFILIATES	(5,428)	(3,628)
NON-CONTROLLING INTEREST IN EARNINGS OF SURGERY CENTER (Note 1)	<u>(5,272)</u>	<u>(4,847)</u>
REVENUES OVER EXPENSES	<u>\$ 13,090</u>	<u>\$ 288,725</u>

See notes to consolidated financial statements.

CHILDREN'S HEALTHCARE OF ATLANTA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
NET ASSETS — December 31, 2009	<u>\$ 1,499,821</u>	<u>\$225,190</u>	<u>\$ 129,818</u>	<u>\$ 1,854,829</u>
Revenues over expenses	288,725	-	-	288,725
Contributions and other	303	42,361	6,022	48,686
Investment income and other	-	20,912	190	21,102
Net assets released from restriction for operations	-	(25,707)	-	(25,707)
Net assets released from restriction for Hughes Spalding (Notes 1 and 2)	-	(4,422)	-	(4,422)
Net assets released from restriction for property additions	2,066	(2,066)	-	-
Reclassification of non-controlling interest in Surgerv Center	4,784	-	-	4,784
Increase in beneficial interest in trusts	<u>-</u>	<u>-</u>	<u>3,105</u>	<u>3,105</u>
Increase in net assets	<u>295,878</u>	<u>31,078</u>	<u>9,317</u>	<u>336,273</u>
NET ASSETS — December 31, 2010	<u>1,795,699</u>	<u>256,268</u>	<u>139,135</u>	<u>2,191,102</u>
Revenues over expenses	13,090	-	-	13,090
Contributions and other	162	56,776	1,026	57,964
Investment loss and other	-	(5,986)	(30)	(6,016)
Net assets released from restriction for operations	-	(36,609)	-	(36,609)
Net assets released from restriction for Emory pediatric research building (Note 1)	-	(24,500)	-	(24,500)
Net assets released from restriction for Hughes Spalding (Notes 1 and 2)	-	(3,620)	-	(3,620)
Net assets released from restriction for property additions	4,143	(4,143)	-	-
Non-controlling interest in Surgerv Center	351	-	-	351
Increase in beneficial interest in trusts	<u>-</u>	<u>247</u>	<u>1,039</u>	<u>1,286</u>
Increase (decrease) in net assets	<u>17,746</u>	<u>(17,835)</u>	<u>2,035</u>	<u>1,946</u>
NET ASSETS — December 31, 2011	<u>\$ 1,813,445</u>	<u>\$238,433</u>	<u>\$ 141,170</u>	<u>\$ 2,193,048</u>

See notes to consolidated financial statements

CHILDREN'S HEALTHCARE OF ATLANTA, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 1.946	\$ 336.273
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	70.921	67.230
Bond premium amortization	(894)	(1.027)
Net change in unrealized losses (gains) on investments	103.344	(78.983)
Gains on sale of securities	(56.281)	(52.040)
Net change in fair value of interest rate swaps	66.286	16.606
Equity in income of unconsolidated investments	(8.457)	(19.208)
Equity in loss of unconsolidated affiliates	5.428	3.628
Provision for bad debts	10.273	12.969
Restricted contributions and investment income	(51.948)	(69.788)
Non-controlling interest in earnings of Surgerv Center	5.272	4.847
Changes in assets and liabilities		
Patient accounts receivable and other receivables	(20.692)	(18.842)
Supplies and prepaid expenses	(1.830)	(2.935)
Other noncurrent assets	(897)	(1.035)
Accounts payable and accrued liabilities	28.719	(15.020)
Other noncurrent liabilities	33.567	(2.881)
Total adjustments	182.811	(156.479)
Net cash provided by operating activities	184.757	179.794
CASH FLOWS FROM INVESTING ACTIVITIES		
Property additions	(61.679)	(40.981)
Purchase of assets whose use is limited	(2,553.351)	(3,366.800)
Proceeds from disposal of assets whose use is limited	2,386.678	3,146.068
Net cash used in investing activities	(228.352)	(261.713)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of long-term debt	3.585	-
Repayments of long-term debt	(9.364)	(8.662)
Distributions to non-controlling shareholders of Surgerv Center	(5.146)	(4.784)
Proceeds from sale of shares to non-controlling shareholders of Surgerv Center	225	-
Cash proceeds from restricted contributions and investment income	54.986	79.046
Net cash provided by financing activities	44.286	65.600
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	691	(16.319)
CASH AND CASH EQUIVALENTS — Beginning of year	61.326	77.645
CASH AND CASH EQUIVALENTS — End of year	\$ 62.017	\$ 61.326

See notes to consolidated financial statements

CHILDREN'S HEALTHCARE OF ATLANTA, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Organization — Children's Healthcare of Atlanta, Inc. ("Children's") was formed in 1998 when Egleston Children's Health Care System and Scottish Rite Children's Medical Center effectively merged by creating Children's as the controlling company for both hospitals. Today, Children's is a pediatric health care system based in Atlanta, Georgia, and includes the following organizations.

- a Egleston Children's Hospital at Emory University, Inc. ("Egleston"), operates as Children's Healthcare of Atlanta at Egleston and provides inpatient and outpatient pediatric health care services
- b Scottish Rite Children's Medical Center, Inc. ("Scottish Rite"), operates as Children's Healthcare of Atlanta at Scottish Rite and provides inpatient and outpatient pediatric health care services
- c Egleston Affiliated Services, Inc., operates as Children's Affiliated Services and provides immediate and urgent pediatric care
- d Egleston Pediatric Group, Inc., operates as Children's Pediatric Group and provides pediatric physician services. Children's Pediatric Group is the sole member of six limited liability companies that provide physician services: Children's Anesthesia Services, LLC, Children's Sedation Services, LLC, Children's Healthcare of Atlanta Center for Pain Relief, LLC, Children's Healthcare of Atlanta Pediatric Neurology, LLC, and Pediatric Neurosurgery Associates at Children's, LLC, and Children's Surgery, LLC
- e Children's Healthcare of Atlanta Foundation, Inc., promotes Children's in the community and raises financial support for Children's services through fund-raising activities
- f Emory-Egleston Children's Heart Center, Inc., operates as Sibley Heart Center and provides cardiac physician services
- g The Children's Health Network is a physician hospital organization
- h HSOC, Inc. (HSOC), a subsidiary of Egleston, provides management, administrative, and related services to Hughes Spalding Children's Hospital ("Hughes Spalding"), a pediatric hospital wholly-owned by Grady Health System, Inc. ("Grady"). Pursuant to a management agreement, HSOC may be required to provide minimum capital investments and other financial support. HSOC may terminate the management agreement with 60 days notice to Grady.
- i Marcus Autism Center, Inc., is a provider of outpatient therapy and counseling services for children with autism and other behavioral disorders.
- j Children's Healthcare of Atlanta Surgery Center at Meridian Mark Plaza, LLC ("Surgery Center") is a 51% joint venture with physicians to operate an outpatient surgery center. Non-controlling interests of \$5,135,000 and \$4,784,000 at December 31, 2011 and 2010, respectively, are included

in unrestricted net assets in the accompanying consolidated balance sheets. Non-controlling owners' share of Surgery Center's net income for the years ended December 31, 2011 and 2010, of \$5,272,000 and \$4,847,000, respectively, has been recorded in the accompanying consolidated statements of operations.

- k. Emory-Children's Center (E-CC) is a 49% joint venture with Emory University for a pediatric physician faculty group. Pursuant to a financial support agreement, Children's may make annual financial support payments to E-CC. Children's accounts for this investment under the equity method of accounting. The accompanying consolidated statements of operations reflect equity losses related to Children's investment in this joint venture of approximately \$5,428,000 and \$3,628,000 for the years ended December 31, 2011 and 2010, respectively.

Egleston and Scottish Rite (collectively, the "Hospitals") were organized for the purposes of treating sick children, encouraging, and supporting scientific investigation into the medical problems of children, and providing instruction in the diseases and care of children.

Summary of Significant Accounting and Reporting Policies — A summary of the significant accounting and reporting policies followed by Children's in the preparation of its consolidated financial statements is presented below.

Principles of Consolidation — The consolidated financial statements include the accounts of Children's and all wholly owned, majority-owned, and controlled organizations. All material intercompany transactions and account balances have been eliminated in consolidation.

Cash and Cash Equivalents — Cash and cash equivalents include highly liquid instruments with original maturities of three months or less at the date of purchase and are recorded at cost, which approximates market value. Children's invests cash that is not required for immediate operating needs in major financial institutions in amounts that exceed Federal Deposit Insurance Corporation limits.

Assets Whose Use is Limited — Assets whose use is limited primarily include assets restricted by donors and assets set aside by the Board of Trustees (the "Board") over which the Board retains control and may, at its discretion, subsequently use for other purposes.

Investments in marketable equity and other securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Generally, investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues over expenses as investment income. Investments in non-marketable securities (which primarily include investments in partnerships and limited liability companies) without readily determinable fair values are accounted for using the cost method of accounting where Children's owns less than 5% of the ownership interest or the equity method of accounting where Children's owns between 5% and 50% of the ownership interest.

Derivative Instruments — Children's occasionally uses derivative financial instruments to manage movements in interest rates. Interest rate swaps are contractual agreements between two parties for the exchange of interest payments on a notional principal amount at agreed-upon fixed or floating rates for defined periods. Children's does not enter into derivative financial instruments for trading purposes. Credit risk related to the derivative financial instruments is considered minimal and is managed by requiring high credit standards for its counterparties and periodic settlements. Any change in the fair value of these derivative instruments is included in revenues over expenses.

Property and Equipment — Property and equipment are recorded at cost. Children's policy is to capitalize major additions, including interest costs during construction, and to remove retired items from the accounts. Depreciation is provided using the straight-line method over the estimated service lives of the depreciable property and equipment. The depreciable lives applied are generally 16 to 40 years for buildings and renovations, 15 years for fixed equipment, 10 years for movable equipment, and three to five years for computer software and hardware.

A detail of property, equipment, and accumulated depreciation as of December 31, 2011 and 2010, is as follows (in thousands)

	2011	2010
Land and land improvements	\$ 65,394	\$ 65,370
Buildings and fixed equipment	624,404	608,401
Movable equipment and computer software	529,777	489,909
Construction in progress	<u>19,087</u>	<u>14,360</u>
Total property and equipment	1,238,662	1,178,040
Less accumulated depreciation	<u>(680,360)</u>	<u>(610,777)</u>
Property and equipment — net	<u>\$ 558,302</u>	<u>\$ 567,263</u>

Bond Issuance Costs — Costs incurred in issuing long-term debt are amortized over the life of the underlying debt. The gross amount of bond issuance costs as of December 31, 2011 and 2010, totaled \$4,772,000, and the related accumulated amortization totaled \$732,000 and \$450,000, respectively.

Beneficial Interests in Trusts — Children's is the beneficiary of the proportional income from certain perpetual third-party trusts. Children's has no access to the corpus of these trusts and has only limited input into the investment mix of the funds in the trusts in some cases. The estimated fair value of these trusts has been recorded as an asset and as a component of restricted net assets in the accompanying consolidated balance sheets. Management's estimate of fair value is updated annually, the effect of which is included in the accompanying consolidated statements of changes in net assets as an increase in restricted net assets.

Net Patient Service Revenue, Patient Accounts Receivable, and Bad Debts — Children's has agreements with third-party payors that provide for payments to Children's at amounts different from its established rates. Payment arrangements may include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments. Net patient service revenue and patient accounts receivable are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period that related services are rendered and adjusted in future periods as final settlements are determined.

A summary of the payment arrangements with major third-party payors is as follows:

Medicaid and Other Governmental Programs — Payments for inpatient services rendered to Medicaid patients are based on prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Payments for outpatient services rendered under this program are generally based on the reasonable cost of providing care or fee schedules.

Net patient service revenue from the Medicaid program accounted for approximately 38% of Children's total net patient revenue for fiscal 2011 and 2010. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. Net patient service revenue increased approximately \$4,693,000 and \$10,418,000 in 2011 and 2010, respectively, due to cash payments and the removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer subject to reviews, audits, or investigation. Children's recognizes that net patient service revenue and patient accounts receivable from government agencies are significant to its operations.

Children's receives funding from a variety of federal, state, and local agencies. Under provisions of the Indigent Care Trust Fund Act (ICTF), qualifying Georgia public hospitals contribute funds, supplemented by federal and state funds, to compensate Georgia hospitals that serve a disproportionate share of Medicaid and uninsured patients. For the years ended December 31, 2011 and 2010, the Hospitals recorded \$5,708,000 and \$8,864,000, respectively, of ICTF funds, which are included in net patient service revenue. While Children's expects continued funding from ICTF in the near term, there can be no assurances that any such funding will continue, or continue at the levels experienced in recent years.

Managed Care and Commercial Programs — Children's has entered into payment arrangements with certain commercial insurance companies and managed care providers. The basis for payment to Children's under these agreements may include prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Net revenue from managed care and commercial programs accounted for approximately 62% of Children's total net patient revenue for fiscal 2011 and 2010, respectively. Children's recognizes that net patient service revenue and patient accounts receivable from managed care and commercial programs are significant to its operations.

The provision for bad debts relating to patient service revenue is based on an evaluation of potentially uncollectible portions of accounts receivable. The provision considered necessary for such bad debts is based on an analysis of current and past-due accounts, collection experience in relation to amounts billed, and other relevant information. The allowance for uncollectible accounts represents the estimated uncollectible portion of patient accounts receivable. Management believes these allowances for uncollectible accounts are adequate at December 31, 2011 and 2010.

Contributions — Contributions are recorded at fair value upon receipt of cash or other assets or when unconditional promises to contribute are received and are included in contributions receivable and noncurrent contributions receivable in the accompanying consolidated balance sheets. Conditional promises to give are reported at fair value at the date the gift is received or at the time the condition is substantially met. Promises to pay are discounted to their present value using an interest rate commensurate with the collection risk involved. Gifts, bequests, and promises to pay, which are restricted by donors as to use or to be received in excess of one year, are recorded as temporarily restricted net assets until used in the manner designated or upon expiration of the time period over which the assets are to be received.

Assets released from restrictions for their intended purposes are included in operating revenues in the accompanying consolidated statements of operations or as a transfer to unrestricted net assets in the accompanying consolidated statements of changes in net assets if the use is for a capital item. Donated property and equipment are recorded as temporarily restricted net assets at fair market value on the date of receipt. When donated property and equipment are used for their intended purposes, the applicable amount is transferred to unrestricted net assets.

As of December 31, 2011 and 2010, contributions receivable are as follows (in thousands)

	2011	2010
Due in less than 1 year	\$ 17,998	\$ 18,622
Due between 1 and 5 years	<u>19,765</u>	<u>22,146</u>
Total contributions receivable	37,763	40,768
Allowance for uncollectible amounts	<u>(2,353)</u>	<u>(2,090)</u>
Contributions receivable — net	<u>\$ 35,410</u>	<u>\$ 38,678</u>

Children's had no material conditional promises to contribute outstanding at December 31, 2011 and 2010

Income Taxes — Children's is primarily comprised of organizations that have been recognized by the Internal Revenue Service as tax exempt under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying consolidated statements of operations. Sibley Heart Center and The Children's Health Network are taxable entities, and the provision for income taxes was not material for the years ended December 31, 2011 and 2010.

Consolidated Statements of Cash Flows — Cash payments for interest totaled approximately \$21,190,000 and \$19,975,000 for the years ended December 31, 2011 and 2010, respectively.

Use of Estimates — The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS AND ENDOWMENTS

Temporarily restricted net assets are those net assets whose use has been limited by donors to a specific time or purpose. Temporarily restricted net assets of approximately \$238,433,000 and \$256,268,000 as of December 31, 2011 and 2010, respectively, are available for various purposes, including charity care for children, investment in medical technology and facilities, and the expansion of medical services.

Children's receives restricted contributions on behalf of strategic partners for specific capital purposes. Such restricted contributions are recorded as contributions to temporarily restricted net assets and are reclassified from restriction when the amounts are sent to the intended recipient. For the years ended December 31, 2011 and 2010, Children's released from temporarily restricted net assets \$28,120,000 and \$4,422,000, respectively.

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. Investment income on permanently restricted net assets is generally available for unrestricted purposes. Permanently restricted net assets as of December 31, 2011 and 2010, were approximately \$141,170,000 and \$139,135,000, respectively.

Children's follows authoritative guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations that are subject to an enacted version of the Uniform Prudent

Management of Institutional Funds Act (UPMIFA) This guidance also requires enhanced disclosures for all endowment funds, including funds designated as endowments by the Board Children's has interpreted UPMIFA as requiring the preservation of fair value of the original gift absent explicit donor stipulations to the contrary As a result, Children's classifies as permanently restricted net assets the original value of the gifts donated to the permanent endowment, the income derived from which is expendable to support the various programs sponsored by Children's in accordance with the donor's wishes. The remaining portion of the donor-restricted endowment funds that is not classified as permanently restricted assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures by Children's consistent with the donor's wishes Losses on the investments of donor-restricted endowment funds are recorded as a reduction of temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs Any remaining losses reduce unrestricted net assets and are excluded from revenues over expenses

Children's investment and spending policies for endowment assets are intended to provide a predictable stream of funding to programs supported by the endowment, while seeking to maintain the purchasing power of the endowment assets Endowment assets include those assets of donor-restricted funds that Children's must hold in perpetuity and the unexpended appreciation on those funds Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the market average, after fees, while assuming a moderate level of investment risk Children's expects its endowment funds, over time, to provide a real rate of return of 5% (net of fees and adjusted for inflation) as calculated based on rolling five-year periods Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, Children's relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends) Children's targets a diversified asset allocation intended to achieve its long-term return objectives within prudent risk constraints

Children's has a policy of appropriating, for distribution each year, no more than 5% of its endowment funds based on a 12-quarter rolling average market value In establishing this policy, Children's considered the long-term expected return on its endowments.

Endowment net asset composition by type of fund as of December 31, 2011 and 2010, is as follows (in thousands)

	2011			2010		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted funds	\$ -	\$126,890	\$141,170	\$ -	\$130,544	\$139,135
Board-designated funds	<u>6,101</u>	<u>-</u>	<u>-</u>	<u>4,731</u>	<u>-</u>	<u>-</u>
Total funds	<u>\$6,101</u>	<u>\$126,890</u>	<u>\$141,170</u>	<u>\$4,731</u>	<u>\$130,544</u>	<u>\$139,135</u>

Endowment net asset balances and activities for the years ended December 31, 2011 and 2010, are as follows (in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance — December 31, 2009	<u>\$4,253</u>	<u>\$ 110,025</u>	<u>\$ 129,818</u>	<u>\$ 244,096</u>
Investment income and other	593	18,534	190	19,317
Increase in beneficial interest in trusts	-	-	3,105	3,105
Contributions and other	-	9,120	6,022	15,142
Appropriations for expenditures	<u>(115)</u>	<u>(7,135)</u>	<u>-</u>	<u>(7,250)</u>
Balance — December 31, 2010	4,731	130,544	139,135	274,410
Investment loss and other	(248)	(5,200)	(30)	(5,478)
Increase in beneficial interest in trusts	-	247	1,039	1,286
Contributions and other	1,790	6,340	1,025	9,155
Appropriations for expenditures	<u>(172)</u>	<u>(5,041)</u>	<u>-</u>	<u>(5,213)</u>
Balance — December 31, 2011	<u>\$6,101</u>	<u>\$ 126,890</u>	<u>\$ 141,170</u>	<u>\$ 274,161</u>

3. COMMUNITY BENEFIT AND CHARITY CARE

In accordance with its mission, Children's commits significant resources to promote the health and well-being of children. In support of this endeavor, Children's recognizes that some of its most fragile constituents are children whose families are financially or medically indigent. To that end, Children's provides medical treatment to children whose family or custodians are unable to pay for such treatment. Children's ensures that charity care, indigent care, education, research, and other sponsored community programs ("Community Benefit") benefit all children, regardless of economic status. Therefore, Children's maintains Community Benefit programs, within limits, that are available to the entire community, with equal consideration for those who are poor and underserved. Total Community Benefit for the year ended December 31, 2011, is estimated to be \$148,300,000. Total Community Benefit for the year ended December 31, 2010, as reported in annual filings to the Internal Revenue Service, was \$113,500,000.

Charity care, a component of Community Benefit, is unreimbursed costs for charity care and Medicaid services calculated using a cost-to-charge ratio times the amount of unreimbursed charges, net of funding from the State of Georgia for ICTF and neonatal care, and other funding provided to defray these costs. State and other funding which offsets unreimbursed cost totaled approximately \$8,700,000 and \$13,300,000 for the years ended December 31, 2011 and 2010, respectively. Children's estimates charity care to be approximately \$73,900,000 and \$80,500,000 for the years ended December 31, 2011 and 2010, respectively.

4. ASSETS WHOSE USE IS LIMITED

The composition of assets limited as to use as of December 31, 2011 and 2010, is set forth in the following table (in thousands)

	2011	2010
Board-designated for asset acquisition, uncompensated care, debt service, strategic, and operational activities		
Cash and cash equivalents	\$ 231,594	\$ 239,395
Equity securities	853,480	893,796
Debt securities	140,301	159,008
Investments in non-marketable securities accounted for under the equity method	253,966	228,513
Investments in non-marketable securities carried at cost	399,685	254,673
Cash, cash equivalents, and debt securities held for interest rate swap agreement	<u>36,430</u>	<u>14,457</u>
Subtotal	<u>1,915,456</u>	<u>1,789,842</u>
Donor-restricted for special purposes, such as uncompensated child care:		
Cash and cash equivalents	33,920	47,572
Equity securities	187,992	177,279
Debt securities	<u>36,990</u>	<u>31,598</u>
Subtotal	<u>258,902</u>	<u>256,449</u>
Total assets whose use is limited	2,174,358	2,046,291
Less portion classified as current (Note 6)	<u>(37,154)</u>	<u>(37,512)</u>
Total assets whose use is limited — noncurrent	<u>\$2,137,204</u>	<u>\$2,008,779</u>

Investment (Loss) Income and Other — For the years ended December 31, 2011 and 2010, significant components of investment (loss) income on securities are as follows (in thousands)

	2011	2010
Investment (loss) income		
Interest and dividends — net of fees	\$ 24,241	\$ 30,195
Realized gains on sales of securities	56,281	52,040
Net change in unrealized (losses) gains on securities	(103,344)	78,983
Losses on unassociated interest rate swaps	<u>(6,072)</u>	<u>(6,096)</u>
Total	<u>\$ (28,894)</u>	<u>\$ 155,122</u>

Investments in Non-marketable Securities Carried at Cost — Children’s investments in non-marketable securities carried at cost consist primarily of partnerships created for the purpose of investing in privately held companies. The gross unrealized losses and fair values of Children’s investments in non-marketable securities carried at cost with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2011, is as follows (in thousands)

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized (Losses)	Fair Value	Unrealized (Losses)	Fair Value	Unrealized (Losses)
Investments in non-marketable securities carried at cost	<u>\$114,254</u>	<u>\$ (9,048)</u>	<u>\$ 9,895</u>	<u>\$ (1,616)</u>	<u>\$124,149</u>	<u>\$ (10,664)</u>

Losses on non-marketable securities carried at cost that are deemed to be other-than-temporarily impaired of \$5,266,000 and \$14,189,000 are included in investment (loss) income and other in the accompanying consolidated statements of operations for the years ended December 31, 2011 and 2010, respectively.

Investments in Non-marketable Securities Accounted for Under the Equity Method — The accompanying consolidated statements of operations reflect equity income related to Children’s investment in non-marketable securities required to be accounted for under the equity method of accounting of approximately \$8,457,000 and \$19,208,000 for the years ended December 31, 2011 and 2010, respectively.

Summarized unaudited financial information for the entities represented by the non-marketable securities Children’s accounts for under the equity method as of and for the years ended December 31, 2011 and 2010, is as follows (in thousands)

	2011	2010
Total assets	\$ 2,847,569	\$ 2,576,144
Total liabilities	116,435	117,503
Equity	2,731,135	2,458,641
Revenue	37,739	35,498
Net unrealized income	47,351	237,988
Net income	101,964	269,535

At December 31, 2011, Children’s had outstanding funding commitments to purchase general investment partnership interests of approximately \$140,019,000. These commitments will be met over the next five years.

5. FAIR VALUE MEASUREMENTS

Children’s uses fair value to measure certain financial assets and financial liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, Children's uses various valuation approaches. The hierarchy of those valuation approaches is broken down into three levels based on the reliability of inputs, as follows:

Level 1 — Inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The valuation under this approach does not entail a significant degree of judgment.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates and yield curves observable at commonly quoted intervals or current market), and contractual prices for the underlying financial instrument, as well as other relevant economic measures.

Level 3 — Inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

In 2011, Children's revised the categorization of its investments in the tables below to more closely align with the way it manages and monitors such investments. The investments as of December 31, 2010, have been reclassified from those previously presented to conform to the 2011 categorization. In addition, Children's determined that certain investments reported as Level 1 under the fair value hierarchy in the December 31, 2010, consolidated financial statements should have been reported as Level 2. These reclassifications primarily affected corporate bonds and equity funds. As a result, the amounts in the table below as of December 31, 2010 have been corrected to reclassify \$178,414,000 of investments previously reported as Level 1 to Level 2 under the fair value hierarchy. Management does not believe that such reclassifications are material to the 2010 consolidated financial statements.

The fair value table presents information about Children's assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 and 2010, as follows (in thousands)

Fair Value — December 31, 2011	Level 1	Level 2	Level 3	Total
Assets whose use is limited				
Cash and cash equivalents	\$ 301,944	\$ -	\$ -	\$ 301,944
Equity securities				
U.S. equities	419,745	-	-	419,745
Non U.S. equities	16,435	-	-	16,435
Real estate investments trusts	81,785	-	-	81,785
Debt securities				
U.S. treasuries	15,103	-	-	15,103
Government agencies	-	6,204	-	6,204
Corporate bonds	1,327	71,715	-	73,042
Secured bank loans	-	-	82,942	82,942
Mutual funds				
Equity funds	421,713	101,698	-	523,411
Fixed income funds	96	-	-	96
Beneficial interests in trusts	<u>13,247</u>	<u>7,072</u>	<u>81,743</u>	<u>102,062</u>
Total assets at fair value	<u>\$1,271,395</u>	<u>\$186,689</u>	<u>\$164,685</u>	<u>\$1,622,769</u>
Liabilities — interest rate swap agreements	<u>\$ -</u>	<u>\$110,933</u>	<u>\$ -</u>	<u>\$ 110,933</u>
Fair Value — December 31, 2010	Level 1	Level 2	Level 3	Total
Assets whose use is limited:				
Cash and cash equivalents	\$ 291,254	\$ -	\$ -	\$ 291,254
Equity securities:				
U.S. equities	428,206	-	-	428,206
Non U.S. equities	9,338	-	-	9,338
Real estate investment trusts	71,520	-	-	71,520
Debt securities:				
U.S. treasuries	112,733	-	-	112,733
Government agencies	-	13,760	-	13,760
Corporate bonds	-	75,630	-	75,630
Mutual funds:				
Equity funds	455,753	104,911	-	560,664
Beneficial interests in trusts	<u>18,246</u>	<u>3,421</u>	<u>79,109</u>	<u>100,776</u>
Total assets at fair value	<u>\$1,387,050</u>	<u>\$197,722</u>	<u>\$79,109</u>	<u>\$1,663,881</u>
Liabilities — interest rate swap agreements	<u>\$ -</u>	<u>\$ 44,647</u>	<u>\$ -</u>	<u>\$ 44,647</u>

For the years ended December 31, 2011 and 2010, changes in assets classified as Level 3 are as follows (in thousands)

Balance — December 31, 2009	\$ 77,554
Increase in beneficial interests in trusts	<u>1,555</u>
Balance — December 31, 2010	79,109
Increase in beneficial interests in trusts	2,634
Purchase of secured bank loans	<u>82,942</u>
Balance — December 31, 2011	<u>\$ 164,685</u>

Cash and Cash Equivalents, Accounts Receivables, Accounts Payable, and Accrued Expenses — The carrying amount approximates fair value because of the short-term nature of these instruments

Long-Term Debt — The fair value of long-term debt is estimated based on quoted market prices for the same issues. The estimated fair values of long-term debt are \$502,334,000 and \$505,649,000 at December 31, 2011 and 2010, respectively.

6. LONG-TERM DEBT

A summary of long-term debt as of December 31, 2011 and 2010, is as follows (in thousands)

	2011	2010
2008 Certificates & Bonds — 2008 variable rate revenue anticipation certificates and bonds due July 2042. Interest rates range from 0.08% to 0.30% for the year ended December 31, 2011. Mandatory sinking fund redemption beginning July 2009.	\$ 187,560	\$ 189,160
2009 Certificates & Bonds — 2009 fixed rate revenue anticipation certificates and bonds due November 2039. Interest rates range from 3.00% to 5.25%, payable semiannually — net of unamortized premium of \$413 in 2011 and \$1,307 in 2010. Mandatory sinking fund redemption beginning November 2024.	287,628	294,797
2008 Surgery Center Commercial Note — term note payable to bank due February 2013. Interest rate of 4.9%. Principal and interest payable monthly.	-	764
2011 Surgery Center Commercial Note — term note payable to bank due March 2021. Interest rate of 4.95% until 2016. Interest only payable the first year and principal and interest payable monthly thereafter.	<u>2,861</u>	<u>-</u>
Subtotal	478,049	484,721
Less current maturities of long-term debt	(9,224)	(9,123)
Less long-term debt classified as current due to terms of standby purchase agreements	<u>(37,154)</u>	<u>(37,512)</u>
Long-term debt — net of portion classified as current	<u>\$ 431,671</u>	<u>\$ 438,086</u>

In February 2008, the DeKalb Private Hospital Authority (the "DeKalb Authority") issued approximately \$120,000,000 in tax-exempt revenue anticipation certificates, and the Development Authority of Fulton County (the "Fulton Authority") issued approximately \$72,965,000 of tax-exempt revenue bonds (collectively, the "2008 Certificates & Bonds") pursuant to a trust indenture by and between the DeKalb Authority, the Fulton Authority, and certain investment banks. The proceeds were loaned to Children's pursuant to loan agreements between the DeKalb Authority and Children's and the Fulton Authority and Children's and were used to make capital additions and renovations at the Hospitals.

The 2008 Certificates & Bonds are remarketed on a weekly basis, and the bondholders have the ability to tender any or all of the certificates and bonds at each remarketing date. Children's has standby bond purchase agreements ("SBPAs") with a financial institution to serve as security for the payment of the 2008 Certificates & Bonds. In the event bondholders elect to tender any or all of the 2008 Certificates & Bonds for purchase and the revenue anticipation certificates are not able to be remarketed, the SBPAs are utilized to purchase the revenue anticipation certificates. Any amounts outstanding on the SBPAs are repayable by Children's over a five-year term in quarterly installments. As a result, Children's has included \$37,154,000 and \$37,512,000 in current liabilities as of December 31, 2011 and 2010, respectively. The SBPAs expire February 2018, and there were no amounts outstanding at December 31, 2011 or 2010.

In December 2009, the DeKalb Authority issued approximately \$249,260,000 in tax-exempt revenue anticipation certificates and the Fulton Authority issued approximately \$50,720,000 in tax-exempt revenue bonds (collectively, the "2009 Certificates & Bonds") pursuant to a trust indenture by and between DeKalb Authority, the Fulton Authority, and certain investment banks. The proceeds were loaned to Children's pursuant to loan agreements between the DeKalb Authority and Children's and the Fulton Authority and Children's and were used to extinguish certain tax-exempt revenue anticipation certificates and bonds.

In connection with certain bond issues, Children's entered into interest rate swap agreements with three banks effectively converting Children's interest rate exposure on a portion of this debt from a variable to a fixed rate. Children's does not follow hedge accounting for these interest rate swaps. The interest rate swaps had an aggregate notional amount of approximately \$380,485,000 and \$384,685,000 at December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, Children's has recorded a liability of approximately \$110,933,000 and \$44,647,000, respectively, related to these interest rate swaps in other noncurrent liabilities in the accompanying consolidated balance sheets. The decrease in fair value of these interest rate swaps of approximately \$66,286,000 and \$16,606,000 is included in revenues over expenses in the accompanying consolidated statements of operations for the years ended December 31, 2011 and 2010, respectively.

The portion of the interest rate swap agreements, discussed above, that were associated with the revenue anticipation certificates and bonds refunded by the 2009 Certificates & Bonds are now held as an investment ("Unassociated Interest Rate Swaps"). The Unassociated Interest Rate Swaps had a notional amount of \$192,925,000 and \$195,525,000 outstanding as of December 31, 2011 and 2010. Losses on Unassociated Interest Rate Swaps of \$6,072,000 and \$6,096,000 are included in investment income (loss) in the accompanying consolidated statements of operations for the years ended December 31, 2011 and 2010.

In March 2011, the Surgery Center refunded the outstanding balance of the 2008 Surgery Center Commercial Note and secured additional financing for expansion and renovation of the Surgery Center, for a total not to exceed \$6,200,000. Expansion/renovation of the facilities was completed in January 2012. The loan has an initial interest rate of 4.95% for the first five years then converts to a rate not to exceed 7.25%.

Debt Maturities — Future scheduled maturities of long-term debt are as follows (in thousands)

**Years Ending
December 31**

2012	\$ 8,488
2013	8,856
2014	9,244
2015	9,668
2016	10,089
Thereafter	<u>431,292</u>
Total	<u>\$477,637</u>

7. RETIREMENT BENEFITS

Children's maintains defined contribution retirement plans. Contributions to the plans were \$21,093,000 and \$19,709,000 for the years ended December 31, 2011 and 2010, respectively.

8. COMMITMENTS AND CONTINGENCIES

Insurance Arrangements — Children's is self-insured for a substantial portion of its general and professional medical malpractice risks. Children's maintains coverage in excess of its self-insurance plan limits (currently \$3,000,000 per occurrence and \$12,000,000 annual aggregate). General liability coverage is subject to an occurrence-based policy, and professional liability coverage is limited to claims made rather than claims incurred during its term. In addition, claims incurred but not reported prior to January 1, 2001, are covered under a commercial insurance policy subject to a \$250,000 per occurrence and \$750,000 aggregate retention.

The accrual for self-insured general and professional medical malpractice losses, including loss adjustment expense, is based on actuarial estimates using historical claims experience adjusted for current industry trends. The actual claim settlements and expenses may differ from amounts provided, but in the opinion of management, an adequate accrual has been made for such claims at December 31, 2011 and 2010.

Children's self-insures its health insurance and workers' compensation programs, supplemented with certain stop-loss coverages. Estimates are made for known claims outstanding and claims incurred but not reported under the programs and are recorded as accrued liabilities in the accompanying consolidated balance sheets.

Research Commitment — To further its mission of encouraging scientific investigation into the medical problems of children, Children's periodically makes irrevocable research funding commitments to third-parties. At December 31, 2011, Children's had outstanding funding commitments of approximately \$78,120,000 to fund pediatric research in the Atlanta, Georgia area. These irrevocable research commitments were recorded as a component of purchased services in the year of commitment. Purchased services for the year ended December 31, 2011, included funding commitments of \$36,357,000. The commitments will be paid over the next three to five years.

Leases — Children's leases office space and equipment under various operating leases. Total rent expense for all operating leases amounted to approximately \$11,646,000 and \$9,401,000 for the years ended December 31, 2011 and 2010, respectively.

Future aggregate minimum rental commitments under all noncancelable operating leases are as follows (in thousands)

**Years Ending
December 31**

2012	\$ 10,006
2013	6,259
2014	4,867
2015	4,361
2016	3,564
Thereafter	<u>11,902</u>
Total	<u>\$ 40,959</u>

Litigation — Certain lawsuits have been filed against Children's claiming alleged personal and punitive damages. While the outcome of these lawsuits is not presently determinable, it is the opinion of management that the claims will not have a material adverse effect on Children's consolidated financial position, results of operations, or cash flows.

9. FUNCTIONAL EXPENSES

Children's primarily provides inpatient and outpatient medical care for pediatric residents in the Atlanta metropolitan area. For the years ended December 31, 2011 and 2010, expenses relating to providing these services are as follows (in thousands):

	2011	2010
Healthcare services	\$ 770,431	\$ 702,405
General and administrative	<u>163,663</u>	<u>142,244</u>
Total	<u>\$ 934,094</u>	<u>\$ 844,649</u>

10. SUBSEQUENT EVENTS

Children's has evaluated events and transactions for potential recognition or disclosure through May 22, 2012, the date the consolidated financial statements were issued, and noted no significant subsequent events or transactions requiring recognition or disclosure.

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