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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

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

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

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

C Name of organization
Devereux Foundation

Doing Business As

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

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

D Employer identification number
23-1390618

E Telephone number
(610)542-3065

G Gross receipts $ 380,311,314

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

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

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

H(c) Group exemption number ▶

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

J **Website:** ▶ www devereux org

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

L Year of formation 1938

M State of legal domicile PA

Part I Summary

Activities & Governance

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

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	15
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	7,714
6	Total number of volunteers (estimate if necessary)	6	609
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	12,757,497	12,166,753
	9	Program service revenue (Part VIII, line 2g)	363,886,142	359,727,286
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,747,858	3,747,350
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,627,439	2,207,596
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	381,018,936	377,848,985
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	276,086,070	274,964,428
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶2,170,300		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	103,720,961	99,102,508
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	379,807,031	374,066,936
	19	Revenue less expenses Subtract line 18 from line 12	1,211,905	3,782,049

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	193,546,000	184,202,000
	21	Total liabilities (Part X, line 26)	152,380,000	146,419,000
	22	Net assets or fund balances Subtract line 21 from line 20	41,166,000	37,783,000

Part II Signature Block

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

Sign Here

****** | 2014-05-06
Signature of officer | Date

ROBERT C DUNNE CFO
Type or print name and title

Paid Preparer Use Only

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

Firm's name ▶ | Firm's EIN ▶

Firm's address ▶ | Phone no

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

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

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 186,230,626 including grants of $) (Revenue $ 204,453,240)

Campus-Based Residential/Education Across its 15 centers, Devereux provides a spectrum of campus-based residential services including residential treatment for the autistic spectrum of disorders, substance abuse treatment, and including such challenging services as treatment for adolescent sexual offenders Devereux offers age-appropriate educational services for students in its residential programs These students may be in treatment for mental/emotional disorders, behavioral disorders, learning disabilities and intellectual and developmental disorders The focus of these programs is to ensure the provision of high-quality services and resources in a safe and supporting environment The average number of clients served by these programs was approximately 1,442 for year ending June 30, 2013 Expenses do not include management and general expenses in the amount of $24,795,961

4b (Code) (Expenses $ 75,209,556 including grants of $) (Revenue $ 82,568,790)

Community-Based Residential Services include transitional living arrangements, group homes, supervised apartments, psycho-social rehabilitation day programs and vocational training programs for adolescents and adults with intellectual and developmental disabilities In most of these community-based residential programs, Devereux staff provide 24/7 supervision and treatment of individuals The average number of clients served by these programs is approximately 683 for year ending June 30, 2013 Expenses do not include management and general expenses of $10,152,485

4c (Code) (Expenses $ 23,914,164 including grants of $) (Revenue $ 26,254,158)

Foster Care The Devereux Foundation offers foster care in group foster homes and in therapeutic foster homes in Arizona, Florida, Georgia, Massachusetts, New Jersey, Texas and Pennsylvania The average number of clients served by these programs is approximately 901 for year ending June 30, 2013 Expenses do not include management and general expenses of $3,228,156 For 4d Other program services, expenses do not include management and general expenses of $5,711,529

(Code) (Expenses $ 6,834,725 including grants of $) (Revenue $ 7,126,742)

Acute Care

(Code) (Expenses $ 21,706,471 including grants of $) (Revenue $ 23,830,443)

Outpatient/Other Services

(Code) (Expenses $ 14,112,963 including grants of $) (Revenue $ 15,493,913)

Case Management

4d Other program services (Describe in Schedule O)

(Expenses $ 42,654,159 including grants of $) (Revenue $ 46,451,098)

4e **Total program service expenses** ▶ 328,008,505

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see 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? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	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? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		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 United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	1,384			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	7,714			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	Yes	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
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.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . **1a** 16 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent . . . **1b** 15			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	**5**		No
6	Did the organization have members or stockholders?	**6**		No
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**		No
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**		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

			Yes	No
10a	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 this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**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**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶AZ, CA, CO, CT, DE, FL, GA, MA, MI, NJ, PA, RI, WA

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☑ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
▶ROBERT C DUNNE CFO 2012 RENAISSANCE BOULEVARD King of Prussia, PA (610) 542-3063

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

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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

		(D)	(E)	(F)
1b	**Sub-Total** . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . ▶	5,524,892	0	607,463

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

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Restore OT PT SLPPC , PO Box 376 COHOES NY 12407	Ancillary Therapies	705,498
Ernst and Young LLP , PO Box 828135 PHILADELPHIA PA 19182	Auditing	440,000
Purchasing Management Associates LL , 101 E 8th Ave Ste 104 CONSHOHOCKEN PA 19428	Purchasing Consult	427,102
Michael G Berno MD , 16922 Cottonwood Way HOUSTON TX 32801	Psychiatric Services	377,288
Samuel S McClure MD PA , 828 E Washington St Indialantic ORLANDO FL 32801	Psychiatric Services	308,569

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 ▶26

Part VIII Statement of Revenue

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

					(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a	193,897				
	b	Membership dues	1b					
	c	Fundraising events	1c	949,210				
	d	Related organizations . . .	1d					
	e	Government grants (contributions)	1e	1,172,912				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	9,850,734				
	g	Noncash contributions included in lines 1a-1f $		1,073,060				
	h	**Total.** Add lines 1a-1f . . . . ▶			12,166,753			
Program Service Revenue			Business Code					
	2a	CAMPUS BASED RESIDENTIAL/EDUCATION			204,453,240	204,453,240		
	b	COMMUNITY-BASED RESIDENTIAL			82,568,790	82,568,790		
	c	FOSTER CARE			26,254,158	26,254,158		
	d	ACUTE CARE			7,126,742	7,126,742		
	e	CASE MANAGEMENT			15,493,913	15,493,913		
	f	All other program service revenue			23,830,443	23,830,443		
	g	**Total.** Add lines 2a–2f . . . . ▶			359,727,286			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . ▶			3,284,385	3,284,385		
	4	Income from investment of tax-exempt bond proceeds . . ▶			0			
	5	Royalties . . . . ▶			0			
			(i) Real	(ii) Personal				
	6a	Gross rents	151,233					
	b	Less rental expenses	63,012					
	c	Rental income or (loss)	88,221	0				
	d	Net rental income or (loss) . . . . ▶			88,221			
			(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	1,409,249	419,675				
	b	Less cost or other basis and sales expenses	1,279,724	86,235				
	c	Gain or (loss)	129,525	333,440				
	d	Net gain or (loss) . . . . ▶			462,965			
	8a	Gross income from fundraising events (not including $ 287,573 of contributions reported on line 1c) See Part IV, line 18 . .	a	2,094,670				
	b	Less direct expenses . . .	b	1,033,358				
	c	Net income or (loss) from fundraising events . . ▶			1,061,312			
	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	ICPTR INTELLECTUAL PROPERTY	611420		463,755			463,755
	b	MISCELLANEOUS	900099		594,308			594,308
	c							
	d	All other revenue						
	e	**Total.** Add lines 11a–11d . . . . ▶			1,058,063			
	12	**Total revenue.** See Instructions . . . . . . ▶			377,848,985	363,011,671		1,058,063

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

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

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
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	4,081,999	0	3,767,174	314,825
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	207,970,611	180,432,658	26,560,207	977,746
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	8,584,007	6,787,158	1,734,499	62,350
9	Other employee benefits	39,055,660	34,613,112	4,296,836	145,712
10	Payroll taxes	15,272,151	13,116,340	2,070,340	85,471
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	238,195	50,117	188,078	
c	Accounting	416,004	225,304	190,700	
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	30,778,193	29,791,598	815,712	170,883
12	Advertising and promotion	256,749	121,629	123,267	11,853
13	Office expenses	21,660,574	20,427,390	964,582	268,602
14	Information technology	1,327,489	957,394	370,095	
15	Royalties . .	0			
16	Occupancy	24,138,492	20,724,892	3,312,615	100,985
17	Travel	2,155,061	1,646,073	499,372	9,616
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	153,737	55,597	83,367	14,773
20	Interest	3,285,423	3,285,423		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	11,229,041	9,469,021	1,752,290	7,730
23	Insurance	2,699,260	2,528,509	170,997	-246
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	BAD DEBT	2,100,305	2,100,305		
b	GIFTS IN KIND OFFSET	969,985	969,985		
c	CONTINUING CARE	-3,012,000		-3,012,000	
d	EXTINGUISHMENT OF DEBT	706,000	706,000		
e	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24e	374,066,936	328,008,505	43,888,131	2,170,300
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		9,747,000	2	3,476,000
	3	Pledges and grants receivable, net		9,028,000	3	6,448,000
	4	Accounts receivable, net		43,934,000	4	47,459,000
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		3,556,000	9	7,859,000
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 306,215,000			
	b	Less accumulated depreciation	10b 200,400,000	107,164,000	10c	105,815,000
	11	Investments—publicly traded securities		15,666,000	11	9,604,000
	12	Investments—other securities See Part IV, line 11		2,082,000	12	2,082,000
	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		2,369,000	15	1,459,000
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		193,546,000	16	184,202,000
Liabilities	17	Accounts payable and accrued expenses		55,987,660	17	57,730,000
	18	Grants payable		0	18	0
	19	Deferred revenue		8,481,000	19	7,819,000
	20	Tax-exempt bond liabilities		52,210,000	20	47,388,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		7,955,000	23	8,414,000
	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		27,746,340	25	25,068,000
	26	**Total liabilities.** Add lines 17 through 25		152,380,000	26	146,419,000
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		23,537,000	27	23,828,000
	28	Temporarily restricted net assets		17,629,000	28	13,955,000
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		41,166,000	33	37,783,000
	34	Total liabilities and net assets/fund balances		193,546,000	34	184,202,000

Part XI **Reconcilliation of Net Assets**

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	377,848,985
2	Total expenses (must equal Part IX, column (A), line 25)	2	374,066,936
3	Revenue less expenses Subtract line 2 from line 1	3	3,782,049
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	41,166,000
5	Net unrealized gains (losses) on investments	5	-321,000
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-6,844,049
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	37,783,000

Part XII **Financial Statements and Reporting**

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ______ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

Additional Data

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

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

(A) Name and Tıtle	(B) Average hours per week (list any hours for related organizatıons below dotted lıne)	(C) Posıtıon (do not check more than one box, unless person ıs both an officer and a dırector/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensatıon from the organızatıon (W-2/1099-MISC)	(E) Reportable compensatıon from related organızatıons (W-2/1099-MISC)	(F) Estımated amount of other compensatıon from the organızatıon and related organızatıons
Samuel G Coppersmıth Chaırman	5 0 2 0	X		X				0	0	0
Francıs Genuardı Vıce Chaırman	5 0 2 0	X		X				0	0	0
Thomas Hays Vıce Chaırman	5 0 2 0	X		X				0	0	0
Tamı Benton MD Trustee	2 0 2 0	X						0	0	0
Chrıstopher D Butler Vıce Chaırman	5 0 2 0	X		X				0	0	0
Robert D Ellıs Trustee	2 0 2 0	X						0	0	0
Elva Ferrarı-Graham Trustee	2 0 5 0	X						0	0	0
Robert Gottlıeb Trustee	2 0 2 0	X						0	0	0
John R Gunn Trustee	2 0 2 0	X						0	0	0
Peter R Haȷe Trustee	2 0 2 0	X						0	0	0
Howard Hassman DO Trustee	2 0 2 0	X						0	0	0
John Lowery Trustee	2 0 2 0	X						0	0	0
Alba E Martınez Trustee	2 0 2 0	X						0	0	0
James H Schwab Trustee	2 0 2 0	X						0	0	0
I Steven Udvarhelyı MD Trustee	2 0 2 0	X						0	0	0
K Lısa Yang Trustee	2 0 2 0	X						0	0	0
Robert Q Kreıder Presıdent and CEO	58 0 5 0	X		X				596,882	0	82,396
Margaret M McGıll Sr VP and COO	55 0 5 0			X				333,053	0	61,939
Robert C Dunne Sr VP and CFO	55 0 5 0			X				275,349	0	54,528
Marılyn Benoıt MD Sr VP and CCO	55 0 0 0			X				326,503	0	18,340
Dolores McLaughlın Sr VP Genl Counsel and Secy	55 0 5 0			X				268,734	0	50,491
Sarah E Lenahan VP of Ops and Org Development	55 0 0 0			X				231,503	0	40,061
L Gaıl Atkınson VP of Operatıons	55 0 3 0			X				244,852	0	20,380
Tımothy Dıllon VP of HR	55 0 0 0			X				198,834	0	21,697
Martha Lındsay VP Product Development	55 0 0 0			X				202,132	0	14,656

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 (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
Lawrence W Williams VP Compliance and Admin	55 0 2 0			X				194,417	0	18,968
Leah Yaw VP of Development	55 0 0 0			X				181,118	0	16,763
David A Griffith Controller	55 0 0 0			X				15,577	0	2
Roberta M Lewis Assistant Secretary	55 0 0 0			X				90,185	0	12,794
Stanley J Kopala thru 7112012 Treasurer	55 0 2 0			X				104,540	0	2,194
Steven Murphy Executive Director FL	55 0 0 0				X			203,722	0	28,265
Carol Oliver Executive Director PA	55 0 0 0				X			222,239	0	33,126
John OKeefe Executive Director NY	55 0 0 0				X			199,097	0	18,024
Tilden Reeder Psychiatrist	80 0 0 0					X		414,963	0	23,036
Imran Posner Psychiatrist	55 0 0 0					X		298,618	0	11,155
Jacqueline Zavodnick Medical Services Director	55 0 0 0					X		256,495	0	25,910
Emilio Roig Medical Services Director	55 0 0 0					X		258,817	0	26,655
Robert Handler Medical Services Director	55 0 0 0					X		251,572	0	26,083
Elizabeth Chadwick Resigned SR VP OF EXTERNAL AFFAIRS	0 0 0 0						X	155,690	0	0

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

2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

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

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

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

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

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

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

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

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

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

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

9 ☑ An organization that normally receives (1) more than 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 - Non-functionally integrated

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

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

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

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

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

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

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) | 12 |

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) | 14 |

15 Public support percentage for 2011 Schedule A, Part II, line 14 | 15 |

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

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

Section A. Public Support

	Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	11,861,907	16,652,524	10,965,472	12,757,497	12,166,753	64,404,153
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	351,899,649	359,419,747	364,255,600	363,886,142	359,727,286	1,799,188,424
3	Gross receipts from activities that are not an unrelated trade or business under section 513						0
4	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5	The value of services or facilities furnished by a governmental unit to the organization without charge						0
6	**Total.** Add lines 1 through 5	363,761,556	376,072,271	375,221,072	376,643,639	371,894,039	1,863,592,577
7a	Amounts included on lines 1, 2, and 3 received from disqualified persons						0
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						0
c	Add lines 7a and 7b						0
8	**Public support** (Subtract line 7c from line 6)						1,863,592,577

Section B. Total Support

	Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9	Amounts from line 6	363,761,556	376,072,271	375,221,072	376,643,639	371,894,039	1,863,592,577
10a	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,163,299	998,290	4,462,254	2,747,858	3,747,350	13,119,051
b	Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c	Add lines 10a and 10b	1,163,299	998,290	4,462,254	2,747,858	3,747,350	13,119,051
11	Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12	Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	11,718,619	1,170,189	1,775,122	1,627,439	2,207,596	18,498,965
13	**Total support.** (Add lines 9, 10c, 11, and 12)	376,643,474	378,240,750	381,458,448	381,018,936	377,848,985	1,895,210,593

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 2012 (line 8, column (f) divided by line 13, column (f))	15	98 332 %
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	0 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	0 692 %
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	0 %

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☑

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Facts And Circumstances Test

Explanation
Children's Behavior Health Center 655 Sugartown Road Malvern, PA 19355

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

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

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

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

2 Political expenditures ▶ $

3 Volunteer hours

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	97,411	
c	Total lobbying expenditures (add lines 1a and 1b)	97,411	
d	Other exempt purpose expenditures	326,699,774	
e	Total exempt purpose expenditures (add lines 1c and 1d)	326,797,185	
f	Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	

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

		(a)	(b)
g	Grassroots nontaxable amount (enter 25% of line 1f)	250,000	
h	Subtract line 1g from line 1a If zero or less, enter -0-		
i	Subtract line 1f from line 1c If zero or less, enter -0-		
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	☐ **Yes**	☑ **No**

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

Lobbying Expenditures During 4-Year Averaging Period

	Calendar year (or fiscal year beginning in)	**(a)** 2009	**(b)** 2010	**(c)** 2011	**(d)** 2012	**(e)** Total
2a	Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b	Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c	Total lobbying expenditures	249,284	213,285	138,386	97,411	698,366
d	Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e	Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f	Grassroots lobbying expenditures					

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

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

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

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

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ________

(ii) Assets included in Form 990, Part X ▶ $ ________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ________

b Assets included in Form 990, Part X ▶ $ ________

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

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

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ **Yes** ☐ **No**

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ **Yes** ☐ **No**

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

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

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

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . ☐

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	98,482,000	104,531,000	93,604,000	76,559,000	101,258,000
b Contributions	3,231,190			6,260,000	3,367,000
c Net investment earnings, gains, and losses	11,128,356	-137,624	20,293,000	10,785,000	-28,066,000
d Grants or scholarships					
e Other expenditures for facilities and programs	1,149,545	5,799,952	9,250,000		
f Administrative expenses		111,424	116,000		
g End of year balance	111,692,001	98,482,000	104,531,000	93,604,000	76,559,000

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

a Board designated or quasi-endowment ▶ 96 000 %

b Permanent endowment ▶ 4 000 %

c Temporarily restricted endowment ▶

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,145,130		6,145,130
b Buildings		97,779,661	54,120,691	43,658,970
c Leasehold improvements		171,585,272	125,705,401	45,879,871
d Equipment				
e Other		30,704,937	20,573,908	10,131,029
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				105,815,000

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

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

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
ESTIMATED 3RD PARTY PAYOR SETT	11,117,000
CONTINUING CARE OBLIGATION	6,554,000
CLIENT FUNDS ON DEPOSIT	1,716,000
LOAN FROM HELENA DEV	4,098,000
OTHER	1,583,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	25,068,000

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

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

1	Total revenue, gains, and other support per audited financial statements			1	376,663,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	376,663,000
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	1,185,985		
c	Add lines **4a** and **4b**			4c	1,185,985
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	377,848,985

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

1	Total expenses and losses per audited financial statements			1	376,109,000
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	2,042,064		
e	Add lines **2a** through **2d**			2e	2,042,064
3	Subtract line **2e** from line **1**			3	374,066,936
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	374,066,936

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Schedule D Part V Line 4	Endowment Funds	The endowment funds are held by a related non-profit organization, Helena Devereux Foundation (HDF) HDF invests funds transferred to it from the Devereux Foundation and uses the earnings from these investments to further Devereux's mission of changing lives and nurturing human potential through a wide range of services and supports for individuals and families The end of year balance for the HDF endowment is $109,692,000 Endowment funds are used to support Devereux's programs through the implementation of a spending rule, which currently calls for an annual distribution equal to 5% of the average endowment balance over the last 3 years
Schedule D Part XII	Reconciliation of Revenue per Audited Finl Stmts with Revenue per Return	Other Temporarily Restricted Gifts $ 3,228,000 Continuing Care (3,012,000) Gifts in Kind Offset 969,985 ____________ $ 1,185,985
Schedule D Part XIII	Reconciliation of Expenses per Audited Finl Stmts with Expenses per Return	Gifts in kind $(969,985) Continuing Care 3,012,000 Rounding 49 ___________ $ 2,042,064

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

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

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

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

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

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

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

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

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

		(a) Event #1 100th ANIV GALA (event type)	(b) Event #2 PA GOLF OUTING (event type)	(c) Other events 18 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	931,705	222,026	1,228,512	2,382,243
	2 Less Contributions	185,417	35,187	66,969	287,573
	3 Gross income (line 1 minus line 2)	746,288	186,839	1,161,543	2,094,670
Direct Expenses	4 Cash prizes	0	0	450	450
	5 Noncash prizes	5,450	3,470	29,425	38,345
	6 Rent/facility costs	122,775	53,895	37,325	213,995
	7 Food and beverages	161,779	27,674	110,800	300,253
	8 Entertainment	13,500	0	25,650	39,150
	9 Other direct expenses	312,176	15,048	113,941	441,165
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(1,033,358)
	11 Net income summary Combine line 3, column (d), and line 10 ▶				1,061,312

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

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

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

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

b If "No," explain ______

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

b If "Yes," explain ______

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶

Address ▶

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

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

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

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ $

Description of services provided ▶

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493129022514

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			36,666		36,666	
b Medicaid (from Worksheet 3, column a)			5,544,788	4,938,090	606,698	
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			5,581,454	4,938,090	643,364	
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits						
k **Total.** Add lines 7d and 7j			5,581,454	4,938,090	643,364	

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1 Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2 Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	27,600		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	48,000		

4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	
6 Enter Medicare allowable costs of care relating to payments on line 5	6	
7 Subtract line 6 from line 5 This is the surplus (or shortfall)	7	

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

		Yes	No
9a Did the organization have a written debt collection policy during the tax year?	9a		
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b		

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Children's Behavioral Health Center 655 Sugartown Road Malvern, PA 19355 www devereux org	X		X						Inpatient Psych	

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group Childrens Behavioral Health Center

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years begining on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1		No
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 ___			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5	Did the hospital facility make its CHNA report widely available to the public?	5		
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☐ Hospital facility's website			
b	☐ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $ ______			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that			
Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 %			
If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**		No
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☐ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**		No
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☐ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**		No
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☑ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☐ Notified individuals of the financial assistance policy on admission
- **b** ☐ Notified individuals of the financial assistance policy prior to discharge
- **c** ☐ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**		No

If "No," indicate why

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

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- **a** ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- **b** ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- **c** ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- **d** ☑ Other (describe in Part VI)

		Yes	No
21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**	Yes	
If "Yes," explain in Part VI			

Part V **Facility Information** *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
16

	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, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

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

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

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

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

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

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

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
Schedule H Part VI	Description of Facility	Devereux operates the Children's Behavioral Health Center in Malvern, PA, a 49-bed private psychiatric facility that provides care to children and adolescents ages 4 - 17
Schedule H Part I	Charity Care and Certain Other Community Benefits	In advancement of its charitable mission, Devereux accepts clients with limited or no ability to pay for services A client is classified as a charity client based on established written policies Charity services are defined as those for which no payment is anticipated In assessing a client's ability to pay, Devereux uses federal poverty income levels, but also includes cases where incurred charges are significant relative to income Under certain governmental reimbursement programs, Devereux has been paid an amount less than actual costs due to agency budgeting constraints or other factors The economic loss attributable to such programs is also reported as charity care Charity care amounts are not included in net client revenue or accounts receivable The amount of charges forgone, based on established rates, for services provided to clients that qualify for charity care and the economic shortfall attributable to unreimbursed costs of certain programs aggregated $15,909,000 and $16,349,000 in 2013 and 2012, respectively

Identifier	ReturnReference	Explanation
Schedule H Part I	Community Benefits	Devereux also provides a variety of services and benefits within the communities in which it operates, for which no compensation is received The cost of these services has not been quantified and, therefore, is not included in the charity care amounts listed above Devereux has not provided a separate Community Health Needs Assessment since we are not a community-based hospital Rather, our hospital serves a specialized population and referrals come from wide geographic areas, including other states Many of those admissions are from Devereux's own residential treatment programs in situations where a particular child in treatment decompensates and/or needs a more intensive environment for a specified period of time
Schedule H Part V 15e	Billing and Collections	When all efforts at collections fail, Devereux may refer the outstanding bill to a third party for collection

Identifier	ReturnReference	Explanation
Schedule H Part V 17	Policy Relating to Emergency Medical Care	Devereux facilities do not operate emergency rooms Nearly all of Devereux's clients come by way of referral
Schedule H Part V	Charges for Medical Care	Devereux provides an allowance for uncollectible accounts for estimated losses resulting from the unwillingness or inability of clients to make payments for services The allowance is determined by analyzing specific accounts and historical data and trends Accounts receivable are charged off against the allowance for uncollectible accounts when management determines that recovery is unlikely and Devereux ceases collection efforts Losses have been consistent with management's expectations

Identifier	ReturnReference	Explanation
Schedule H Part V 21	Charges for Medical Care	Devereux has a number of private pay clients who pay the standard rate for care
Schedule H Part V 16e	Billing and Collection	When all efforts at collections fail, Devereux may refer the outstanding bill to a third party for collection

Additional Data

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

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

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
16

Name and address	Type of Facility (describe)
Devereux Florida Treatment Network 5850 TG Lee Blvd Ste 400 Orlando, FL 32822	Residential and outpatient treatment Group homes Foster care
Devereux Adult Services 139 Leopard Road Berwyn, PA 19312	Residential and outpatient treatment Group homes Foster care
Devereux New Jersey 2866 Mantua Grove Rd Bldg 4 West Deptford, NJ 08066	Residential and outpatient treatment Group homes Foster care
Devereux New York 40 Devereux Way Red Hook, NY 12571	Residential and outpatient treatment Group homes Foster care
Children's IDD Services 390 E Boot Rd West Chester, PA 19380	Residential and outpatient treatment Group homes Foster care
Childrens Behavioral Health Services Devereux Drive Glenmoore, PA 19343	Residential and outpatient treatment Group homes Foster care
Devereux Texas Treatment Network Houston Ctr 1150 Devereux Dr Leabue City, TX 77573	Residential and outpatient treatment Group homes Foster care
Devereux MA Residential Treatment Ctr 60 Miles Rd PO Box 219 Rutland, MA 01543	Residential and outpatient treatment Group homes Foster care
Devereux AZ Raskin Treatment Network 11000 N Scottsdale Rd Ste 260 Scottsdale, AZ 85254	Residential and outpatient treatment Group homes Foster care
Devereux Georgia 1291 Stanley Rd Kennesaw, GA 30144	Residential and outpatient treatment Group homes Foster care
Devereux Texas Victoria Center 120 David Wade Dr Victoria, TX 77905	Residential and outpatient treatment Group homes Foster care
Devereux Pocono Center 1547 Mill Creek Rd Newfoundland, PA 18445	Residential and outpatient treatment Group homes Foster care
Devereux Glenholme School 81 Sabbaday La Washington, CT 06793	Residential and outpatient treatment Group homes Foster care
Devereux Santa Barbara 6980 Falberg Way Goleta, CA 93117	Residential and outpatient treatment Group homes Foster care
Devereux Mapleton 655 Sugartown Road Box 275 Malvern, PA 19355	Residential and outpatient treatment Group homes Foster care
Devereux Stone and Gable 228 Highland Ave Devon, PA 19333	Residential and outpatient treatment Group homes Foster care

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Questions Regarding Compensation

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

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

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

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

(A) Name and Title		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

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

Also complete this part for any additional information

Identifier	Return Reference	Explanation

Additional Data

Return to Form

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other 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
Robert Q Kreider	(i)	433,848	159,600	3,434	78,820	3,576	679,278	0
	(ii)	0	0	0	0	0	0	0
Margaret M McGill	(i)	263,770	61,400	7,883	55,900	6,039	394,992	0
	(ii)	0	0	0	0	0	0	0
Robert C Dunne	(i)	222,313	50,600	2,436	46,825	7,703	329,877	0
	(ii)	0	0	0	0	0	0	0
Marilyn Benoit MD	(i)	278,770	43,000	4,733	17,472	868	344,843	0
	(ii)	0	0	0	0	0	0	0
Dolores McLaughlin	(i)	216,766	49,300	2,668	44,856	5,635	319,225	0
	(ii)	0	0	0	0	0	0	0
Sarah E Lenahan	(i)	207,188	21,100	3,215	35,569	4,492	271,564	0
	(ii)	0	0	0	0	0	0	0
L Gail Atkinson	(i)	202,309	36,800	5,743	16,692	3,688	265,232	0
	(ii)	0	0	0	0	0	0	0
Timothy Dillon	(i)	167,310	31,000	524	13,385	8,312	220,531	0
	(ii)	0	0	0	0	0	0	0
Martha Lindsay	(i)	169,845	30,600	1,687	10,191	4,465	216,788	0
	(ii)	0	0	0	0	0	0	0
Lawrence W Williams	(i)	162,306	30,700	1,411	12,985	5,983	213,385	0
	(ii)	0	0	0	0	0	0	0
Leah Yaw	(i)	150,956	30,000	162	12,369	4,394	197,881	0
	(ii)	0	0	0	0	0	0	0
Steven Murphy	(i)	180,797	21,501	1,424	27,350	915	231,987	0
	(ii)	0	0	0	0	0	0	0
Carol Oliver	(i)	191,583	27,724	2,932	27,072	6,054	255,365	0
	(ii)	0	0	0	0	0	0	0
John O Keefe	(i)	165,727	31,961	1,409	14,378	3,646	217,121	0
	(ii)	0	0	0	0	0	0	0
Tilden Reeder	(i)	272,077	141,462	1,424	20,000	6,036	440,999	0
	(ii)	0	0	0	0	0	0	0
Imran Posner	(i)	235,324	63,150	144	7,492	3,663	309,773	0
	(ii)	0	0	0	0	0	0	0
Jacqueline Zavodnick	(i)	255,276	0	1,219	20,000	5,910	282,405	0
	(ii)	0	0	0	0	0	0	0
Emilio Roig	(i)	227,972	29,377	1,468	18,238	8,417	285,472	0
	(ii)	0	0	0	0	0	0	0
Robert Handler	(i)	250,384	0	1,188	20,000	6,083	277,655	0
	(ii)	0	0	0	0	0	0	0
Elizabeth Chadwick Resigned	(i)	0	0	155,690	0	0	155,690	155,690
	(ii)	0	0	0	0	0	0	0

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	Chester Co Health and Education Facility Auth	23-2265260	165579EL3	06-15-2006	29,240,000	Plant improvement/advance refund		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	29,240,000			
4	Gross proceeds in reserve funds	2,081,887			
5	Capitalized interest from proceeds	88,681			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	402,126			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	2,117,699			
10	Capital expenditures from proceeds	13,998,684			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2010			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 00000%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 00000%		%		%		%	
6	Total of lines 4 and 5	0 00000%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	X							
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	X							
b	Name of provider	Fifth Third Bank							
c	Term of GIC		25 4						
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

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

Identifier	Return Reference	Explanation

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	Chester Co Health and Educ Facility Auth 2011 Bond	23-2265260		12-15-2011	6,580,000	Refund of 1997 bond		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	6,580,000			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	123,160			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	0			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2011			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501 (c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	X							
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X							
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

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

Identifier	Return Reference	Explanation

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization: Devereux Foundation

Employer identification number: 23-1390618

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	Chester Co Health and Education Facility Authority	23-2265260		11-01-2012	8,744,646	Refund of 2002 bond		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	8,744,646			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	95,146			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	0			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2012			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	X							
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?								

Part V Procedures To Undertake Corrective Action

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

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

Identifier	Return Reference	Explanation

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	Colorado Health Facilities Authority	84-0752932		11-01-2012	7,053,654	Refund of 2002 bonds		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	3,197,421			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	43,312			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	0			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2012			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	X							
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

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

Identifier	Return Reference	Explanation

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
			Yes	No

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) 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 assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV **Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
(1) Christopher Butler IBC	Trustee	2,014,146	Employee health benefits		No
(2) Steven Udvarhelyi MD IBC	Trustee	2,014,146	Employee health benefits		No
(3) Alba Martinez Vanguard	Trustee	0	Investment Management Services		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation
Schedule L	Part IV	Trustee Christopher Butler, formerly a Vice President of Independence Blue Cross (IBC) until June 2010, is a member of their Board, as well as a trustee of Devereux Steven Udvarhelyi, MD, a trustee of Devereux, is the Chief Medical Officer of IBC IBC administers Devereux's self-insured medical plan and was paid total fees of $2,014,146 Trustee Alba Martinez is an officer of Vanguard, a mutual fund company At June 30, 2013, Devereux held investments of $1,317,362 in various Vanguard funds Vanguard's investment management fees are incorporated into the net returns of the funds and not paid separately by Devereux

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

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2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art	X	15	29,541	Market Price
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications	X	[redacted]	36,658	Market Price
5 Clothing and household goods	X	[redacted]	184,561	Market Price
6 Cars and other vehicles	X	3	2,950	Market Price
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	5	158,464	Market Price
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential	X	1	50,823	Market Price
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles	X	32	27,111	Market Price
19 Food inventory	X	75	28,418	Market Price
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (Personal Services)	X	70	157,467	Market Price
26 Other ▶ (Event tickets)	X	157	96,268	Market Price
27 Other ▶ (Use of Property)	X	47	69,037	Market Price
28 Other ▶ (Holiday-related items)	X	36	41,302	Market Price
Other ▶ (Miscellaneous)	X	531	218,848	Market Price

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

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

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier	Return Reference	Explanation

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.

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Identifier	Return Reference	Explanation
Form 990 Part V Line 2a	Activities & Governance	The number of employees listed is the total number of employees who worked at Devereux during the year, including those who left employment during calendar year 2012, as reported on Form W-3

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

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

Identifier	Return Reference	Explanation
Form 990 Part VI Section B Line 12c	Policies - Conflict of Interest	Representatives of Devereux dealing with clients, parents, guardians, vendors, competitors or anyone who does or seeks to do business with Devereux are required to act in Devereux's best interests, disregarding any personal preference or advantage Representatives shall make prompt and full disclosure to his/her manager and to the Internal Audit Department (and, in the case of Trustees and senior managers, to the Board's Audit and Compliance Committee) via the Devereux Conflict of Interest form of any prospective or actual situation that involves, may involve, or might appear to involve a conflict of interest For example, all persons are required to report any of the following situations a Ownership or financial interest by a representative or family member in any business partner or competitor of Devereux b Serving as an officer, director, employee, consultant or agent to any business partner or competitor of Devereux c Acting as a broker, finder or any other intermediary for the benefit of a third party in a transaction potentially involving Devereux Members of the same family or living within the same domicile may be employed by Devereux in the same center or department unless the center Director or department head determines such employment is not in Devereux's best interest Relatives of senior management or trustees, as well as those working in Human Resources, Payroll, and Internal Audit, shall not be hired by Devereux in any capacity unless approved in advance by the President/CEO Each Devereux employee has the responsibility to report any actual or perceived conflicts of interest to management, Human Resources, the Vice President of Audit & Compliance or the Employee Helpline The Helpline is an anonymous "whistleblower" service, where complaints are processed by an independent third party retained by Devereux for this purpose and subsequently referred to the Vice President of Compliance Annually, a copy of Devereux's business ethics policy is mailed or e-mailed to trustees, officers, directors and key personnel along with the annual Conflict of Interest Disclosure Statement, which must be signed and returned to the Director of Internal Audit within 30 days The annual disclosure requires an acknowledgement of understanding Devereux's business ethics policy, as well as disclosure of any conflict, or appearance of a conflict, between personal interests and the interests of Devereux Failure to comply or falsification of disclosure may result in disciplinary action, including possible dismissal Newly-hired employees in the categories identified above are given this policy on the first day of their employment and are required to complete the annual Conflict of Interest Disclosure Statement immediately All employees disclosing a conflict or potential conflict must have the Disclosure Statement reviewed and signed by the Executive Director at their location (President/CEO for Corporate staff) prior to sending it to Audit Services All Annual Conflict of Interest Disclosure Statements identifying a conflict or potential conflict are reviewed by the Vice President of Audit & Compliance and any other officers or senior management determined to be appropriate, and submitted to the Audit & Compliance Committee of the Board of Trustees for review No Disclosure Statement may be reviewed by the person submitting it or by a person directly supervised by the person submitting the report

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

Identifier	Return Reference	Explanation
Form 990 Part VI Section C Line 19	Disclosure	The Devereux Foundation's Form 990 is available to the public through posting on Guidestar (www guidestar org) It is also available upon request The Audited Financial Statements are available upon request, and summarized financial information is included in our Annual Report, which is distributed to constituents and posted on our website The Devereux Foundation does not make its governing documents or conflict of interest policy available to the general public outside of this Form 990

Identifier	Return Reference	Explanation
Form 990 Part X Liabilities Line 20	Balance Sheet Tax-Exempt Bond Liabilities	Devereux reported four bonds on Schedule K Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2006 (for which $24,525,000 was outstanding at June 30, 2013), the Chester County Health and Education Facilities Authority Revenue Bonds, Series 2011 (for which $5,831,000 was outstanding at June 30,2013), the Chester County Health and Education Facility Authority Bonds, Series 2012 (for which $8,745,000 was outstanding at June 30, 2013), and Colorado Health Facilities Authority Revenue Bonds, Series 2012 (for which $7,054,000 was outstanding at June 30, 2013) The Series 2011 and 2012 Bonds were acquired by financial institutions In addition, the Devereux Foundation has the following tax-exempt bonds outstanding as of June 30, 2013 Long-Term Debt Dormitory Authority of the State of New York Revenue Bonds, Series 1995 Original Amount 16,300,000 Beginning Book Value 4,661,000 Ending Book Value 3,440,000 Maturity Date 7/1/2015 Repayment Terms Annual Principal, Semi-Annual Interest Interest Rate 5 00% Security Provided Reserve Fund/MBIA Insurance Pol/Coll Property NOTE This bond was refinanced after the end of the tax year New Jersey Economic Development Authority Revenue Bonds, Series 1997 Original Amount 2,500,000 Beginning Book Value 1,715,000 Ending Book Value 1,1,650,000 Maturity Date 05/01/2027 Repayment Terms Annual Principal, Semi-Annual Interest Interest Rate 3 88% to 5 0% Security Provided Reserve Fund/MBIA Insurance Pol/Coll Property NOTE This bond was refinanced after the end of the tax year

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Devereux Foundation

Employer identification number
23-1390618

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(1) Devereux Cleo Wallace 8405 Church Ranch Blvd Westminster, CO 80021 84-0406820	Mental Hlth	CO	501(c)(3)	3	Dev Foundatn	Yes	
(2) Devereux Cleo Wallace Foundation c/o Dev Found 2012 Renaissance Blvd King of Prussia, PA 19406 74-2277635	Investments	CO	501(c)(3)	11-I	Cleo Wallace	Yes	
(3) Helena Devereux Foundation 444 Devereux Drive Villanova, PA 19085 30-0034707	Investments	PA	501(c)(3)	11-I	Dev Found	Yes	
(4) Devereux Professional Group c o Devereux TX 1150 Devereux Dr League City, TX 77573 74-0406760	Inactive	TX	501(c)(3)	11-I	Dev Found	Yes	
(5) Devereux Kids Inc 5850 TG Lee Blvd Ste 400 Orlando, FL 32822 59-3593023	Inactive	FL	501(c)(3)	7	Dev Found		

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) Devereux Properties Inc PO Box 638 Villanova, PA 19085 23-1682903	Inactive	PA	Devereux Found	C Corp					

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

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

			Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b	Gift, grant, or capital contribution to related organization(s)	1b		No
c	Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d	Loans or loan guarantees to or for related organization(s)	1d		No
e	Loans or loan guarantees by related organization(s)	1e	Yes	
f	Dividends from related organization(s)	1f		No
g	Sale of assets to related organization(s)	1g		No
h	Purchase of assets from related organization(s)	1h		No
i	Exchange of assets with related organization(s)	1i		No
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o	Sharing of paid employees with related organization(s)	1o		No
p	Reimbursement paid to related organization(s) for expenses	1p		No
q	Reimbursement paid by related organization(s) for expenses	1q		No
r	Other transfer of cash or property to related organization(s)	1r	Yes	
s	Other transfer of cash or property from related organization(s)	1s		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-s)	**(c)** Amount involved	**(d)** Method of determining amount involved
(1) Helena Devereux Foundation	r	1,306,221	Endowment gifts
(2) Devereux Cleo Wallace	l	489,081	Admin Expenses
(3) Helena Devereux Foundation	l	119,958	Admin Expenses
(4) Helena Devereux Foundation	e	402,000	Loan Payment
(5) Helena Devereux Foundation	c	4,579,940	Invest earnings

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Additional Data

Return to Form

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule R	Part V2	The Helena Devereux Foundation (HDF) is a recognized 509(a)(3) supporting organization of Devereux, formed to manage and invest endowment funds to support Devereux's activities It's Board of Trustees consists of members of Devereux's Board The following officers of Devereux are officers of HDF in the capacities given Robert Q Kreider, President Robert C Dunne, Sr Vice President & CFO Dolores McLaughlin, Esq , Sr Vice President, General Counsel & Secretary Stanley J Kopala, Treasurer (until 7/11/2012) Lawrence Williams, Vice President for Audit and Compliance HDF does not maintain separate facilities and operates at one of Devereux's two Corporate sites, at 444 Devereux Drive, Villanova, PA 19085 Devereux has adopted a Spending Rule policy under which approximately 5% of the endowment held by Helena Devereux Foundation is spent to support operations Under this policy, HDF transferred $1,864,232 00 to Devereux during the year
Part V 2	Transactions with Related Organizations	Devereux borrowed a total of $4,500,000 in 2011 and 2012 from Helena Devereux Foundation to finance the expansion of its New York campus As of 6/30/2013, $402,000 of that amount has been repaid to HDF Devereux provides advances to Devereux Cleo Wallace in the ordinary course of business as cash is managed on a consolidated basis As of June 30, 2013, Devereux had net advances outstanding to Devereux Cleo Wallace of $1,328,275 These advances bear interest at a rate of 1 1947%

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CONSOLIDATED FINANCIAL STATEMENTS

The Devereux Foundation and Controlled Entities
Years Ended June 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

The Devereux Foundation and Controlled Entities

Consolidated Financial Statements

Years Ended June 30, 2013 and 2012

Contents

ERNST & YOUNG

Ernst & Young LLP
One Commerce Square
Suite 700
2005 Market Street
Philadelphia, PA 19103

Tel +1 215 448 5000
Fax +1 215 448 4069
www.ey.com

Report of Independent Auditors

The Board of Trustees
The Devereux Foundation and Controlled Entities

We have audited the accompanying consolidated financial statements of The Devereux Foundation and Controlled Entities (Devereux), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Devereux Foundation and Controlled Entities at June 30, 2013 and 2012, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

September 23, 2013

The Devereux Foundation and Controlled Entities

Consolidated Balance Sheets
(In Thousands)

	June 30 2013	June 30 2012
Assets		
Current assets		
Cash and cash equivalents, including client funds on deposits of $1,725 in 2013 and $1,791 in 2012	**$ 3,527**	$ 9,818
Accounts receivable, net of allowance for uncollectibles of $5,913 in 2013 and $6,086 in 2012	**48,899**	45,981
Current portion of assets limited as to use	**2,306**	2,153
Operating fund investments	**19,877**	19,137
Prepaid expenses and other current assets	**3,068**	3,211
Total current assets	**77,677**	80,300
Assets limited as to use		
By board for designated purposes	**81,295**	74,502
By trustees under bond indenture agreements	**4,236**	6,758
By board for donor purposes	**15,003**	15,145
By insurance agreement	**4,000**	4,000
	104,534	100,405
Property and equipment, net	**109,672**	110,700
Other assets		
Other assets	**519**	485
Deferred reimbursement	**–**	333
Deferred financing costs, net	**990**	1,866
Pledges receivable and deferred gifts	**6,448**	9,034
Total other assets	**7,957**	11,718
	$ 299,840	$ 303,123

	June 30	
	2013	**2012**
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	**$ 4,087**	$ 4,115
Accounts payable and accrued expenses	**8,292**	9,576
Employee compensation and related benefits	**23,690**	21,839
Estimated settlements due to third-party payors	**9,101**	9,523
Reserves under insurance programs and other current liabilities	**11,903**	11,313
Client funds on deposit	**1,725**	1,791
Total current liabilities	**58,798**	58,157
Estimated settlements due to third-party payors	**2,044**	1,391
Reserves under insurance programs and other liabilities	**16,141**	15,622
Deferred revenue	**7,857**	8,517
Obligation to provide future services and use of facilities to continuing care clients	**6,554**	9,566
Long-term debt	**56,020**	60,884
Total liabilities	**147,414**	154,137
Net assets		
Unrestricted	**131,090**	124,072
Temporarily restricted	**13,955**	17,695
Permanently restricted	**7,381**	7,219
Total net assets	**152,426**	148,986
	$ 299,840	$ 303,123

See accompanying notes.

The Devereux Foundation and Controlled Entities

Consolidated Statements of Operations and Changes in Net Assets

(In Thousands)

	Year Ended June 30 2013	2012
Unrestricted net assets		
Revenue		
Net client revenue	**$ 362,729**	$ 368,116
Investment income	**8,869**	9,373
Gifts and bequests (including net assets released from restrictions due to time of $2,862 in 2013 and $720 in 2012)	**6,864**	5,413
Other revenue	**9,927**	10,870
Net assets released from restrictions for operations	**3,191**	1,888
	391,580	395,660
Expenses		
Salaries and wages	**220,842**	224,579
Employee benefits	**65,147**	62,528
Food	**6,773**	6,905
Purchased services	**33,373**	33,272
Supplies	**7,614**	8,430
Plant operation and maintenance	**24,949**	25,839
Provision for bad debts	**2,270**	1,883
Depreciation and amortization	**11,586**	11,383
Interest	**3,466**	4,035
Insurance	**2,775**	4,401
Other	**11,384**	11,615
	390,179	394,870
Operating income before other items	**1,401**	790
Other items		
Loss on early extinguishment of debt	**(1,032)**	(225)
Decrease in obligation to provide future services and the use of facilities to continuing care clients	**3,012**	1,884
Net gain (loss) on disposition of property	**338**	(53)
Other income and losses	**2,318**	1,606
Excess of revenue over expenses	**3,719**	2,396

(Continued on following page.)

The Devereux Foundation and Controlled Entities

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

	Year Ended June 30	
	2013	2012
Unrestricted net assets (continued)		
Excess of revenue over expenses *(from previous page)*	**$ 3,719**	$ 2,396
Other changes in unrestricted net assets		
Unrealized gains (losses) on investments	**3,257**	(9,550)
Net assets released from restrictions for property and equipment purchases	**915**	737
Other	**(873)**	–
Increase (decrease) in unrestricted net assets	**7,018**	(6,417)
Temporarily restricted net assets		
Gifts, grants, and bequests, net	**3,228**	4,430
Net assets released from restrictions for operations	**(6,053)**	(2,608)
Net assets released from restrictions to finance property and equipment purchases	**(915)**	(737)
(Decrease) increase in temporarily restricted net assets	**(3,740)**	1,085
Permanently restricted net assets		
Gifts, grants, and bequests	**68**	512
Net realized and unrealized gains (losses) on investments	**434**	(219)
Other	**(340)**	(335)
Increase (decrease) in permanently restricted net assets	**162**	(42)
Increase (decrease) in net assets	**3,440**	(5,374)
Net assets, beginning of year	**148,986**	154,360
Net assets, end of year	**$ 152,426**	$ 148,986

See accompanying notes.

The Devereux Foundation and Controlled Entities

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended June 30	
	2013	**2012**
Operating activities		
Increase (decrease) in net assets	**$ 3,440**	$ (5,374)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Net (gain) loss on disposition of property	**(338)**	53
Loss on early extinguishment of debt	**1,032**	225
Depreciation and amortization	**11,586**	11,383
Provision for bad debts	**2,270**	1,883
Deferred reimbursement	**333**	960
Net realized, unrealized (gains) losses in fair value of investments	**(8,273)**	4,599
Decrease in obligation to provide future services	**(3,012)**	(1,884)
Restricted contributions	**(3,296)**	(4,942)
Changes in operating assets and liabilities:		
Accounts receivable	**(5,188)**	(3,345)
Prepaid expenses and other current assets	**143**	282
Pledges receivable	**3,023**	720
Accounts payable and accrued expenses	**(1,284)**	1,047
Employee compensation and related benefits	**1,851**	(275)
Deferred revenue	**(660)**	(508)
Estimated settlements due to third-party payors, net	**231**	1,044
Reserves under insurance programs and other current liabilities	**1,232**	(2,720)
Net cash provided by operating activities	**3,090**	3,148
Investing activities		
Purchases of property and equipment, net	**(10,220)**	(11,429)
Other assets	**(34)**	(24)
Decrease in investments	**3,251**	6,554
Net cash used in investing activities	**(7,003)**	(4,899)
Financing activities		
Proceeds from long-term debt	**17,025**	10,183
Repayments of long-term debt	**(22,106)**	(11,012)
Deferred financing cost	**(156)**	(130)
Restricted contributions, net	**2,859**	4,095
Net cash (used in) provided by financing activities	**(2,378)**	3,136
Decrease in cash and cash equivalents	**(6,291)**	1,385
Cash and cash equivalents at beginning of year	**9,818**	8,433
Cash and cash equivalents at end of year	**$ 3,527**	$ 9,818

See accompanying notes.

1. Organization and Basis of Presentation

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

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

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

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

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

2. Summary of Significant Accounting Policies

Use of Estimates

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

Cash and Cash Equivalents

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

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

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

Allowance for Uncollectibles

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

Assets Limited as to Use, Investments, and Investment Income

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

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

2. Summary of Significant Accounting Policies (continued)

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

Property and Equipment

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

Deferred Financing Costs

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

Temporarily and Permanently Restricted Net Assets

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

Permanently restricted net assets are invested on a pooled basis with Devereux's Board-designated investments In accordance with Commonwealth of Pennsylvania Act 141, organizations are annually permitted to spend between 2% and 7% of permanently restricted net assets For both 2013 and 2012, Devereux elected to spend at a rate of 5 0% Additionally, in accordance with the Pennsylvania law, Devereux classifies as permanently restricted net assets (a) the value of gifts donated to the permanent endowment and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument This is regarded as the "historic dollar value" of the endowed fund Any remaining unspent earnings or net appreciation of the donor-restricted endowment funds is not classified in

2. Summary of Significant Accounting Policies (continued)

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

Excess of Revenue Over Expenses

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

Income Taxes

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

Charity Care

In advancement of its charitable mission, Devereux accepts clients with limited or no ability to pay for services A client is classified as a charity client by reference to certain established policies Essentially, these policies define charity services as those for which no payment is anticipated In assessing a client's ability to pay, Devereux uses generally recognized poverty income levels, but also includes cases where incurred charges are significant relative to income Under certain governmental reimbursement programs, Devereux has been paid an amount less than actual costs due to agency budgeting constraints or other factors The economic loss attributable to such programs is also included as charity care Charity care amounts are not included in net client revenue or accounts receivable The amount of costs incurred for services provided to clients that qualify for charity care and the economic shortfall attributable to unreimbursed costs of certain programs aggregated $15,909 and $16,349 in 2013 and 2012, respectively

2. Summary of Significant Accounting Policies (continued)

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

Contributions

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

Functional Expenses

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

Reclassifications

Certain reclassifications have been made to the financial statements of the prior year to conform to the current-year presentation

2. Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In October 2012, the FASB issued ASU 2012-05, *Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*, which requires a not-for-profit to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any imposed limitations for sale and were converted nearly immediately to cash Accordingly, the cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities This guidance is effective prospectively for fiscal years beginning after June 15, 2013 with retrospective application to all prior periods presented permitted Devereux will adopt these provisions for the year ended June 30, 2014 The adoption will not impact Devereux's results of operations or financial position, however, it may change the classifications on the statement of cash flows

Subsequent Events

In accordance with Accounting Standards Codification (ASC) 855, we have evaluated subsequent events through the date the financial statements were issued on September 23, 2013

3. Net Client Revenue

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

The majority of services are rendered to clients through reimbursement programs administered by state and local governmental agencies A majority of those services are funded directly or indirectly by Pennsylvania, New Jersey, Florida, New York, and California No single government agency accounted for more than 10% of revenue in 2013 or 2012 Under these programs, reimbursed amounts are based upon fee-for-service rates, a combination of historical costs and prospectively determined rates, or reasonable costs, as defined In total, these programs

3. Net Client Revenue (continued)

accounted for 94% and 93% of total net client revenue in both fiscal years 2013 and 2012, respectively Remaining services are rendered through payment arrangements with managed care organizations, commercial insurance carriers, or private accounts

Certain governmental agencies pay an interim rate or a fixed periodic amount during the period Devereux provides services and retroactively adjusts the reimbursement based upon actual costs incurred for the year or contract period Third-party settlements with governmental agencies are accrued on an estimated basis in the period the related services are rendered Estimated settlements due to third-party payors are classified as current or noncurrent based on the anticipated timing of settlements Differences between the estimated settlement and the finalized amounts are recorded in the year of settlement During 2013 and 2012, prior-year settlement adjustments increased net client revenue by $889 and $1,312, respectively In the opinion of management, adequate provision has been made for any additional adjustments, which may result from final settlement of outstanding cost reports

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

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

(In Thousands)

4. Investments

Investments are stated at fair value as follows

	June 30 2013	June 30 2012
Assets limited as to use and operating fund investments		
Cash and cash equivalents	**$ 7,183**	$ 9,910
Equity mutual funds	**36,299**	36,966
Commodity funds	**4,424**	4,102
Real estate investment trust (REIT) funds	**4,240**	4,141
Fixed income mutual funds	**10,758**	15,573
Multi-asset funds	**53,212**	40,707
U S government and agency bonds	**10,601**	10,296
Total	**$ 126,717**	$ 121,695

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

	Year Ended June 30 2013	Year Ended June 30 2012
Unrestricted net assets		
Amounts included in investment income		
Interest, dividends and distributions	**$ 4,287**	$ 4,203
Net realized gains on sales of investments	**4,582**	5,170
	8,869	9,373
Other changes in unrestricted net assets		
Net change in unrealized gains and losses on investments	**3,257**	(9,550)
Permanently restricted net assets		
Net realized and unrealized gains (losses) on investments	**434**	(219)
Total investment gain (loss)	**$ 12,560**	$ (396)

4. Investments (continued)

As of June 30, 2013, Devereux had unrealized gains of $17,177 on investments with a fair value of $116,831 As of June 30, 2013, Devereux had unrealized losses of $102 on investments with a fair value of $9,886 The unrealized losses are considered to be temporary in nature and are not material to the overall investment portfolio No investments had unrealized losses as of June 30, 2012

5. Fair Value Measurements

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

(In Thousands)

5. Fair Value Measurements (continued)

The following tables present the fair value hierarchy for Devereux's financial assets measured at fair value on a recurring basis at June 30, 2013 and 2012

	Total	Level 1	Level 2	Level 3
June 30, 2013				
Cash and cash equivalents	**$ 7,183**	**$ 7,183**	**$ –**	**$ –**
Equity mutual funds	**36,299**	**36,299**	**–**	**–**
Commodity funds	**4,424**	**4,424**	**–**	**–**
Real estate investment trust funds	**4,240**	**4,240**	**–**	**–**
Fixed income mutual funds	**10,758**	**10,758**	**–**	**–**
U S government and agency bonds	**10,601**	**10,601**	**–**	**–**
Multi-asset funds	**53,212**	**9,886**	**43,326**	**–**
	$ 126,717	**$ 83,391**	**$ 43,326**	**$ –**
June 30, 2012				
Cash and cash equivalents	$ 9,910	$ 9,910	$ –	$ –
Equity mutual funds	36,966	36,966	–	–
Commodity funds	4,102	4,102	–	–
Real estate investment trust funds	4,141	4,141	–	–
Fixed income mutual funds	15,573	15,573	–	–
U S government and agency bonds	10,296	10,296	–	–
Multi-asset fund	40,707	–	40,707	–
	$ 121,695	$ 80,988	$ 40,707	$ –

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

(In Thousands)

5. Fair Value Measurements (continued)

Devereux has investments in two multi-asset funds One of the funds is an exchange traded mutual fund, whose fair value has been determined using Level 1 inputs In accordance with ASU 2009-12, the fair value of Devereux's other investment in a multi-asset fund was calculated using the fund's net asset value per share at June 30, 2013 and 2012 The fair value of these underlying assets as of June 30, 2013 and 2012 was $43,326 and $40,707, respectively, with a daily redemption period without notice This multi-asset fund requires no up-front commitments and is made up of the following diversified investments common stock, convertible bonds, commodity funds and real estate investment trust funds, corporate bonds, asset-backed securities, mortgage-backed securities, U S Government and agency bonds, U S Treasury bonds, acquired funds, preferred stocks and other short-term investments Given Devereux's prompt ability to liquidate this investment at its net asset value, it was classified as a Level 2 investment

6. Property and Equipment

	Estimated	June 30	
	Useful Lives	2013	2012
Land		**$ 6,145**	$ 6,135
Land improvements	8-25 years	**25,084**	24,843
Buildings and improvements	5-40 years	**210,100**	205,284
Equipment	3-20 years	**58,594**	57,026
Construction in progress		**5,113**	2,664
		305,036	295,952
Less accumulated depreciation and amortization		**195,364**	185,252
		$ 109,672	$ 110,700

In 2007, Devereux sold its campus in Santa Barbara, California and leased back a portion of the campus for operating purposes At the time of the sale, $3,960 of the $18,309 gain on sale was deferred and is being recognized over the 10-year initial lease period

(In Thousands)

7. Pledges Receivable and Deferred Gifts

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

	June 30 2013	June 30 2012
Pledges receivable in		
Less than one year	**$ 1,034**	$ 1,241
One to five years	**670**	1,222
Subtotal	**1,704**	2,463
Less allowance for uncollectible accounts	**(67)**	(119)
Less discount to present value	**(53)**	(95)
Pledges receivable, net	**1,584**	2,249
Beneficial interest in trusts held by third parties, net	**4,864**	6,785
Total	**$ 6,448**	$ 9,034

The present value of the future cash flows of pledges receivable was determined using discount rates approximating 2 0% for 2013 and 2012

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

The beneficial interests in trusts are unconditionally designated for the benefit of Devereux upon the occurrence of some future event During 2013, Devereux received $2,196 in cash from trusts, no new gifts in beneficial interest in trusts were received During 2012, Devereux received no new gifts in beneficial interest in trusts and no cash was received from trusts for which the particular restrictive future event has occurred The interests are recorded at fair value as represented by the third-party trustee

(In Thousands)

8. Long-Term Debt

	June 30 2013	June 30 2012
$29,240 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2006 (the 2006 Pennsylvania Bonds)	**$ 24,525**	$ 25,335
$13,215 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2002 (the 2002 Pennsylvania Bonds)	–	10,005
$14,285 tax-exempt Colorado Health Facilities Authority Revenue Bonds Series of 2002 (the 2002 Colorado Bonds)	–	8,835
$16,300 tax-exempt Dormitory Authority of the State of New York Revenue Bonds, Series 1995 (the New York Bonds) The bonds are secured by a first mortgage on the Red Hook, New York property and revenues earned by the facility	**3,440**	4,675
3.25% to 7.15% mortgages payable monthly through October 2028, secured by the related properties, equipment, or revenue	**8,467**	7,976
$2,500 tax-exempt New Jersey Economic Development Authority Revenue Bonds, Series of 1997 (the New Jersey Bonds)	**1,650**	1,730
$6,580 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2011 (the 2011 Pennsylvania Bonds)	**5,831**	6,126
$8,745 tax-exempt Chester County Health and Education Facilities Authority Revenue Bonds, Series of 2012 (the 2012 Pennsylvania Bonds)	**8,745**	–
$7,054 tax-exempt Colorado Health Facilities Authority Revenue Bonds Series of 2012 (the 2012 Colorado Bonds)	**7,054**	–
Total long-term debt	**59,712**	64,682
Less current portion	**(4,087)**	(4,115)
Net original issue premium	**395**	317
Net long-term debt	**$ 56,020**	$ 60,884

8. Long-Term Debt (continued)

In November 2012, Devereux issued the Series 2012 Pennsylvania and Series 2012 Colorado Bonds to refinance the Series 2002 Pennsylvania and Colorado Bonds All of the bonds were acquired by a financial institution The bonds mature over a 15-year period and the financial institution has an option to call the bonds after seven years (November 1, 2019) The Series 2012 Pennsylvania and Series 2012 Colorado Bonds bear interest at a fixed rate, subject to a rate reset if the bonds are not called by the financial institution A loss on early extinguishment of debt of $1,032, comprised of the write-off of the unamortized issuance costs and original issue discount, was recorded and is included as a component of excess of revenue over expenses The Series 2002 Bonds bore interest at rates between 4 125% to 5 00% for the period from July 1, 2012 through the November 2012 redemption

In December 2011, Devereux issued the Series 2011 Pennsylvania Bonds to refinance the 1997 Pennsylvania Bonds All of the bonds were acquired by a financial institution The Series 2011 Bonds bear interest at a variable rate equal to 65% of the one-month LIBOR plus a margin of 1 40% The rate on the bonds at June 30, 2013 was 1 54% The bonds mature over a 15½-year period, and the financial institution has an option to call the bonds after seven years (December 15, 2018) A loss on early extinguishment of debt of $225, comprised of the write-off of the unamortized issuance costs and original issue discount was recorded and is included as a component of excess of revenue over expenses The Chester County bonds bore interest at rates between 5 40% to 5 50% for the period from July 1, 2011 through the December 2011 redemption

The Series 1995 New York and Series 1997 New Jersey Bonds are insured by the National Public Guarantee Corporation (NPGC) The Series 2006 Bonds, Series 2011, and Series 2012 Bonds are not insured All of the tax-exempt bonds (collectively, the Bonds) were issued under a Master Trust Indenture (MTI) for which Devereux, HD Foundation, DCW, and DCW Foundation are members of the Obligated Group and were issued to advance refund or refinance previously issued tax-exempt and other debt, and to finance certain capital expenditures, to fund required debt service and reserve funds

The Series 1997 New Jersey Bonds, the Series 2002 Colorado, and Series 2002, 2006 and 2011 Pennsylvania Bonds are secured by an interest in Gross Revenues, as defined, as well as mortgages on certain properties Gross Revenues represent all revenue and accounts, excluding those of the Red Hook, New York facility, pledged for the Series 1995 New York Bonds

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

(In Thousands)

8. Long-Term Debt (continued)

Agreements related to the Revolving Credit Agreement (see Note 9) and the Series 1995, 1997, 2002, 2006, 2011 and 2012 Bonds, contain financial covenants requiring Devereux to maintain debt service coverage and liquidity ratios All such covenants were complied with at June 30, 2013

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

	2012 Pennsylvania	**2012 Colorado**	**2011 Pennsylvania**
Annual principal payment	November 1	November 1	May 1 and Nov 1
Year of final maturity	2028	2028	2027
Range of principal and/or sinking fund payments	$499 to $674	$167 to $787	$382 to $454
Interest payment dates	May 1 and November 1	May 1 and November 1	May 1 and November 1
Range of interest rates	2 15%	2 28%	Variable

	2006 Pennsylvania	**1997 New Jersey**	**1995 New York**
Annual principal payment	November 1	May 1	July 1
Year of final maturity	2031	2027	2015
Range of principal and/or sinking fund payments	$855 to $1,915	$80 to $165	$1,105 to $1,195
Interest payment dates	May 1 and November 1	May 1 and November 1	January 1 and July 1
Range of interest rates	5 00% to 5 25%	5 45% to 5 50%	5 00%

(In Thousands)

8. Long-Term Debt (continued)

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

2014	$	4,087
2015		4,441
2016		4,448
2017		3,478
2018		3,573
Thereafter		39,632

Interest paid on all indebtedness amounted to $3,592 in 2013 and $4,135 in 2012

On July 8, 2013, Devereux entered into an agreement with a bank to borrow $9,000 in variable rate debt (the 2013 Loan) that was used to currently refund the 1995 New York and 1997 New Jersey Bonds and finance certain capital expenditures Concurrently with the 2013 Loan, Devereux entered into an interest rate swap with a notional amount of $8,393 that effectively fixes the interest rate at 5 03%

Fair Value

Devereux uses quoted market prices in estimating the fair value for the Revenue Bonds and the outstanding mortgage obligations' carrying value approximates the fair value The fair value of the long-term debt at June 30, 2013 and 2012 is $60,475 and $66,036, respectively, and was determined using the market approach under ASC 820

9. Note Payable

Devereux has a bank Revolving Credit Agreement (Revolver) for $39,300, which is available for working capital and letters of credit The term of the Revolver is through November 30, 2013 The Revolver is secured by a parity lien on Gross Revenues and by mortgages on certain Devereux properties, as defined under the MTI (see Note 8) As of June 30, 2013, under the Revolver, interest on working capital loans is computed at the one-month LIBOR rate plus an applicable margin of 1 00% (1 85% June 30, 2012) At June 30, 2013 and 2012, no working capital loans were outstanding At June 30, 2013, letters of credit aggregating $10,309 were outstanding, substantially all of which were used to secure deductibles under insurance policies (see Note 14) Fees on outstanding letters of credit accrue at 1 00% at June 30, 2013 (1 85% at June 30, 2012) A commitment fee of 0 25% is paid on unused Revolver amounts

9. Note Payable (continued)

In June 2011, Devereux entered into a financing agreement (the Loan Agreement) with a bank providing advances up to an aggregate amount of $2,500 on a 2-year line of credit The loans are for the purpose of acquiring and renovating real property at various locations in the State of New Jersey, to be used as group homes for intellectually and developmentally disabled individuals Loan advances initially bear interest at the Prime rate, and within 90 days are converted to amortizing term loans with a term of either five, seven or ten years at the election of Devereux Principal is paid in monthly installments based on a 25-year amortization, and bear interest at the following rates for a five (5) or a seven (7) year term the Federal Home Loan Bank (FHLB) rate plus 225 basis points, or for a ten (10) year term the FHLB rate plus 250 basis points The loans are secured by first mortgage liens on the properties financed A commitment fee of 0 25% is paid on the unused amount At June 30, 2013 and 2012, there was $1,772 and $1,157, respectively, in outstanding loans that are included in the mortgages payable total in Note 8

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

Devereux is contractually obligated to provide care for life to certain clients The obligation, which recognizes the future costs to be incurred under these continuing care contracts, was computed using the following assumptions for 2013 and 2012 annual cost of care based on actual operating costs, life expectancy based on 1959-61 U S Life Tables, an inflation factor based of 4 75% for 2013 and 2012 of the average annual operating cost, an interest yield of 6 0% for 2013 and 7 0% for 2012, and a reduction for any supplemental payments to be received from the clients The obligation is further reduced to the extent Devereux receives social security (assumed to increase at an annual rate of 3 0% for 2013 and 2012) or other benefits on behalf of the clients

As of June 30, 2013, there were 31 individuals covered by continuing care contracts

(In Thousands)

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

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

The present value of the components of the obligation follows

	June 30	
	2013	**2012**
Gross liability	**$ 25,136**	$ 22,606
Social security and other benefits	**(9,362)**	(3,247)
Future trust interests	**(9,220)**	(9,793)
	$ 6,554	$ 9,566

11. Retirement Plan

Devereux has a defined contribution retirement plan which covers substantially all full-time employees, as well as part-time employees working a minimum of 1,000 hours who have completed two years of service and are active employees at the end of the plan year, administered by the Teachers Insurance and Annuity Association Prior to January 1, 2013, contributions to the plan are based on 6% of the employee's compensation plus a match of employee contributions up to 2% of compensation Effective January 1, 2013, contributions to the plan are based on 5% of the employee's compensation plus a match of employee contributions up to 2% of compensation These contributions are credited to individual annuity contracts owned by each participant and are charged to expense when earned Contribution expense was $8,714 in 2013 and $9,240 in 2012

(In Thousands)

12. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	June 30 2013	June 30 2012
Purchase of property and equipment	**$ 743**	$ 853
Behavioral health care and education services	**4,077**	4,713
Research	**766**	540
Other	**1,804**	2,149
For future periods	**6,565**	9,440
	$ 13,955	$ 17,695

During 2013 and 2012, $6,053 and $2,608, respectively, of temporarily restricted net assets were released from restrictions for operations, of which $2,862 and $720, respectively, related to the collection of previous pledges which are classified as a component of unrestricted gifts and bequests in the consolidated statements of operations and changes in net assets

13. Permanently Restricted Net Assets

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

	June 30 2013	June 30 2012
Endowment balance at beginning of year	**$ 7,219**	$ 7,261
Investment income (loss) return		
Investment income	**125**	117
Realized/unrealized gains (losses)	**434**	(219)
Total investment income (loss) return	**559**	(102)
Contributions	**68**	512
Appropriation of endowment assets for intended purpose	**(465)**	(452)
Endowment balance at end of year	**$ 7,381**	$ 7,219

(In Thousands)

14. Commitments and Contingencies

Operating Leases

Devereux leases various equipment and facilities under operating leases expiring at various dates through 2018 Total rent expense for the years ended June 30, 2013 and 2012 was $8,076 and $8,516, respectively The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2013, that have initial or remaining lease terms in excess of one year

Year ending June 30		
2014	$	5,962
2015		4,157
2016		3,179
2017		1,743
2018		936
Thereafter		1,712
	$	17,689

Workers' Compensation

Devereux maintains workers' compensation insurance with a per-claim deductible of $750 for 2013 and $500 for 2012 Due to this level of retention, Devereux maintains $1,176 of cash on deposit with its insurers for the payment of future claims which is included in operating fund investments in the consolidated balance sheet Additionally, Devereux is required to post letters of credit of $10,309 as collateral for its obligations as of June 30, 2013 and 2012 (see Note 9) Based upon historical loss experience, management determined that a $14,671 and $13,416 liability for the estimated retention and costs of claims not settled as of June 30, 2013 and 2012, respectively, be recorded as a component of reserves under insurance programs and other liabilities in the consolidated balance sheets In 2013, Devereux recorded a $1,900 charge related to prior year losses as a change in estimate in the current year statement of operations

14. Commitments and Contingencies (continued)

Professional and General Liability

Devereux is insured under a claims-made policy for professional and an occurrence policy for general liability Devereux retained $8,000 for 2013 and 2012 in aggregate deductibles related to the combination of professional and general liability coverage Due to this level of retention, Devereux is required to post $4,000 of collateral, which was met with an insurance trust holding treasury securities valued at $4,000 as of June 30, 2013 Based upon historical loss experience, management determined that a $4,625 and $5,341 liability for the estimated retention and cost of claims and incidents not settled as of June 30, 2013 and 2012, respectively, be recorded as a component of reserves under insurance programs and other liabilities in the consolidated balance sheets Devereux plans to continue to obtain adequate professional and general liability insurance

Litigation

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

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

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